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Herald INTERNATIONAL Tribune

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No. 35,569

TODAY:
HEALTH
SCIENCE
Trade Bill Page 10

Fear in Cambodia: Freedom 'Is Finished'

Rights Workers Report the Arrests Of Dozens of Opposition Officials

By Seth Mydans
New York Times Service

PHNOM PENH — In the chaos of last weekend's fighting, soldiers at a military camp on the outskirts of the city took time out from battle to burn down the house of a neighbor with whom they had a land dispute.

"Go and complain to the human rights groups," they taunted the owner, "because there's no more human rights in Cambodia."

The story was told Wednesday by a Cambodian human rights worker to illustrate his despair at what he saw as the death of an ideal that had just begun to take root here after decades of war and suffering.

"It is finished," said the human rights worker. "Everywhere, people are losing their freedom. They cover their mouths when they speak because someone might hear them."

He added: "Do not use my name. In Cambodia now if you use my name you will never see me any more. It is very easy to kill now, because there is no law."

At Phnom Penh's international airport Wednesday, the jostling crowds of foreigners who boarded evacuation flights were sprinkled with some of

the leading figures of the royalist party of the first prime minister, Norodom Ranariddh, who was ousted Sunday in a coup by his coalition partner, Second Prime Minister Hun Sen.

Among those who left were the prince's son and his sister, Bopha Devi, one of the great court dancers of the past. She departed with a dozen members of the royal court.

From around the country, there were reports of dozens of arrests of opposition officials, following the execution Tuesday of one of Prince Ranariddh's top advisers, Ho Sok. Thirty opposition officials were arrested in Pray Veng Province, 13 in Battambang and 20 in Kompong Speu, according to a foreign human rights investigator. "We have no way of knowing what else is going on," he said.

There was an unconfirmed report that a second of the prince's top officials, Chau Sambath, had been arrested and may also have died to custody. Other opposition officials and at least one Cambodian journalist in Phnom Penh said they had received calls or visits from security personnel. There were reports that judges had also been warned to obey the wishes of the government.

[The United States said Wednesday that it was pulling about 40 diplomats and their dependents out of Cambodia.]

See CAMBODIA, Page 4

Tyson Loses Boxing License and Is Fined

Mike Tyson's boxing license was revoked by the Nevada State Athletic Commission on Wednesday, a punishment that could amount to a lifetime ban, and he was fined a maximum of \$3 million for biting a chunk out of Evander Holyfield's ear during their heavyweight title fight.

Tyson can apply for reinstatement in one year. But commission officials said he might never have a license to fight again. "Unless the commission changes its mind, this would be a permanent revocation," said Donald Haight, the panel's legal adviser.

The revocation effectively means that Tyson cannot box in the United States, since other states are bound to honor Nevada's decision. And because he is on probation for a rape conviction, it is unlikely he would be allowed to leave the United States to fight. Page 19.

The Un-Ron Brown: U.S. Commerce Chief Tones Down Hard Sell

By David E. Sanger
New York Times Service

WASHINGTON — As commerce secretary, Ronald Brown was a master at using powerful political symbols. Jetting around the world practicing what he called "commercial diplomacy," he often traveled with an entourage of big-name chief executives and insisted that the U.S. Air Force play the role of chauffeur.

"When that plane lands with 'The United States of America' emblazoned on the side," he said a few months before he died in a plane crash last year while on one of those missions, "and the commerce secretary emerges with America's top executives, it sends a message that we mean business."

William Daley, the commerce secretary for the past five months, also knows something about symbolism. When he stepped off an airplane in South America a few weeks ago, he had a lot fewer CEOs with him, and the words on the side of the plane read "American Airlines."

Those contrasting approaches sum up the subtle changes in the Clinton administration's approach to placing U.S. economic interests — particularly the promotion of commercial exports — at the center of the country's foreign-policy agenda.

Attuned to the controversies surrounding Mr. Brown's rich brew of business and politics, Mr. Daley has altered the tone of the Commerce Department's much-publicized trade missions, setting clear criteria for choosing the companies that participate. He is also placing far less emphasis than Mr. Brown did on rounding up billions of dollars of deals to sign along the way — many of which would often vanish after Mr. Brown's entourage moved on.

But altering the style in which Washington promotes U.S. exports is only one example of how Mr. Daley and other officials have tried to redefine commercial diplomacy. Anticipating that the Republicans leading the congressional hearings on campaign financing that opened Tuesday will try to link the financing of the 1996 presidential campaign to the evolution of the administration's trade

Strike Ties Up Heathrow

25,000 Stranded by British Airways Walkout

Compiled by Our Staff From Dispatches

LONDON — A strike by flight attendants forced British Airways to cancel half its flights out of London on Wednesday, leaving more than 25,000 passengers stranded.

At Heathrow, Europe's busiest airport, 135 flights of 196 flights were canceled, including 27 of the 50 scheduled intercontinental flights, an airline spokesman said.

BA said it expected to carry only 14,000 passengers of 40,000 it usually flies out of Heathrow.

At Gatwick, London's second major airport, traffic was less disrupted. Nine out of 16 intercontinental flights were canceled, but domestic and European flights were expected to take off as scheduled.

The union expects to announce another three-day strike after the current 72-hour stoppage ends Saturday if the two sides do not reach an agreement on the airline's plans to cut cabin crew operations.

London's stock market shrugged off worries about the strike and the company's shares rose on hopes that a settlement was within reach. But the



Passengers at London's Heathrow airport making the best of it Wednesday as they were stranded on the first day of a British Airways strike.

Calls From Clinton Aide Helped Huang Get Hired

Fund-Raiser's Former Boss Testifies to Panel

Compiled by Our Staff From Dispatches

WASHINGTON — The Democratic Party's former finance director testified Wednesday that two calls from President Bill Clinton's deputy chief of staff prompted the party to hire the fund-raiser now at the center of a campaign-spending investigation.

In Madrid, where he was attending a NATO summit meeting, Mr. Clinton acknowledged that he, too, may have put in a word for the fund-raiser, John Huang.

Richard Sullivan, the opening witness of the Senate Governmental Affairs Committee hearings, testified that he had had reservations about Mr. Huang's lack of professional fund-raising experience before going to work as the Democrats' chief fund-raiser in the Asian-American community.

"He did not have any experience on a fulltime basis," Mr. Sullivan said.

Meanwhile, the chairman of the Senate committee announced that Attorney General Janet Reno had told him she opposed granting immunity to Mr. Huang, who has offered to testify if

Hong Kong Council Orders Children Out

Hong Kong's new appointed legislature voted Wednesday to deport hundreds of children who immigrated to the special administrative region illegally from China.

Lawyers and human rights campaigners condemned the law, especially because it was made retroactive to July 1, the date Beijing resumed

Rwanda Concedes It Led Zaire Rebellion

Rwanda's defense minister and vice president acknowledged that his army had played the leading role in the drive to overthrow Mobutu Sese Seko, the dictator of Zaire. Paul Kagame said that Kigali had planned and directed the rebellion. Page 7.

AGENDA

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The IHT on-line: <http://www.ihon.com>

The Dollar			
New York	Wednesday @ 4 P.M.	previous close	
DM	1.7803	1.7811	
Pound	1.6888	1.6888	
Yen	112.75	112.925	
FF	5.9445	5.9397	
The Dow			
Wednesday	close	previous close	
-119.88	7842.43	7982.31	
S&P 500			
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-11.28	907.47	918.75	

'Pinky' vs. Pollution / An Environmental Battle

Hong Kong's Dolphins Facing Extinction

By Velisarios Kattoulas
International Herald Tribune

HONG KONG — Pinky the dolphin is nearly everywhere. On stamps, postcards, T-shirts, carnival floats, giant neon signs and all kinds of other memorabilia celebrating Hong Kong's return to China. Pinky bobs, weaves and grins like a small child.

The only place one might struggle to find Pinky, as schoolchildren here call the pink dolphins found in the waters west of Hong Kong, is in the dolphins' natural habitat. There, toxic industrial waste, untreated human excrement filled with disease-causing bacteria, overflowing, passing jetties and construction have driven the pink dolphins to the brink of extinction.

In the past decade, the population of pink dolphins has been almost halved — to just over 100 — and up to 10 dolphins a year wash ashore dead around Hong Kong, environmentalists say.

Moreover, in the past two years, the washed-up carcasses have included those of all the foals known to have been born, leaving the pink dolphin closer to extinction than China's giant panda.

When the government adopted the pink dolphin as an official mascot for the celebrations to mark the end of more than a century of British rule, environmentalists were both bemused and a little optimistic.

Bemused, because to save the dolphins the government would need to take into account for the first time the environmental impact of the unchecked development that has made Hong Kong rich. Optimistic, because the government might at last have taken the dolphins' steady demise to heart and joined the battle to save them.

But many environmentalists say the government was only interested in using the caricature of a grinning dolphin to bolster the turnout at its hand-over celebrations.

"It's ironic they chose it as a mascot, because the dolphins are dying," said Bill Leverett, founder of Hong Kong Dolphinwatch, a company that organizes dolphin-spotting tours to help raise awareness about their plight. "But then, I guess everything is dying in Hong Kong except maybe the cockroaches."

In the past half-century, Hong Kong has transformed itself into one of the world's richest cities. At the same time, it has an unenviable environmental record. Air and noise pollution are dire and getting worse, although it is the chronic water pollution that has hit the pink dolphins hardest.

Despite its wealth, Hong Kong's

treatment facilities for both human and industrial waste are on a par with some of the poorest nations in Africa. In theory, solid human waste is broken up at primitive filtering plants before being pumped, untreated for disease-carrying bacteria, into surrounding waters. But sightings of raw human sewage in the sea are not uncommon.

Industrial sludge filled with poisonous chemicals is dropped into pits dug into the sea bed and covered with a layer of clean mud to stop the chemicals from seeping into the food chain. But there is disagreement about whether this works and about the amount of toxic waste that escapes into the sea.

The waters around Hong Kong have also been sullied by pollutants tossed into the Pearl River as it winds its way through southern China on its way to the sea, northwest of Hong Kong. Although the fertilizer DDT, which weakens the immune system of humans and other mammals such as dolphins, has been banned in China since 1980, environmentalists still find traces of it in water samples taken from the Pearl River estuary.

"Given the level of development in Hong Kong and the level of affluence in it, there is no excuse for the low priority given to the environment," Anne Dingwall, Greenpeace International's top official in Hong Kong, said. "If I was the administration, I would be ashamed."

In its own defense, the government insists the situation is less grave than environmentalists contend, and says it has increased spending dramatically in the past half-decade to protect the environment. Either way, all but the bravest bathers deserted the once pristine beaches to the west of Hong Kong a decade ago.

By contrast, the pink dolphins, thought to be a subspecies of the Chinese White dolphin found only in Hong Kong and Xiamen, in mainland China, stayed because they had no choice. They are estuary dolphins that prefer brackish waters like those west of Hong Kong where river and sea water mix at the mouth of the Pearl River. They cannot live in fresh water or in the open salt-water sea, like most other species of dolphin.

The first written record of the pink dolphin dates to the 16th century. But few people in Hong Kong had heard of them before the late 1970s, when the government first proposed building a second airport west of urban Hong Kong on Lantau Island, the southern perimeter for the dolphins' year-round habitat.

Studies on the dolphins conducted since then have produced conflicting results. Some have found that water pollution has contributed directly to their demise by weakening their im-



In a decade, the population of pink dolphins in Hong Kong's waters has been nearly halved, to just over 100.

mune systems and making them more susceptible to illness.

Noise from passing jetties, which race from Hong Kong to Macau and back every 15 minutes, and from the construction of the new airport have also hurt the dolphins, some studies say. They contend that the noise drowns out the high-frequency sounds that dolphins use to communicate with one another and to find food.

Over-fishing may have hurt the dolphins by depleting their food supplies. Some have also become trapped in fishing nets and ended up on sale in fish markets, hanging upside down from hooks skewered through their flippers, environmentalists say.

But other studies using different research techniques have found that the decline in dolphin numbers is not directly attributable to any of these factors.

In ANY case, the main goal for environmentalists is to save the dolphins before they disappear altogether, rendering the cause-and-effect debate academic.

Four years ago, a pink dolphin

sanctuary was established in the heart of their habitat. But it is too small to save the species, and jetties and fishermen continue to cut through the area despite restrictions, environmentalists say.

To raise awareness of the dolphins' plight, environmentalists have also courted the local media. Nowadays, whenever a dolphin carcass washes up on the shore, its image is splashed across television screens and newspapers, increasing pressure on the government to clamp down on industries that threaten the dolphins.

But few environmentalists expect the new government of Tung Chee-hwa to save the dolphins.

"We have an unelected legislature almost completely representing the interests of big business," said Gavin Coates, an environmentalist, cartoonist and author who illustrated and wrote "Pinky the Dolphin," a book for children.

"It is hard to see the government being more sympathetic to the plight of the dolphins," he said. "I doubt the government would curtail development interest to save the dolphins."

Moi Keeps Foes at Bay

Kenya Opposition Seems Disorganized

By James C. McKinley Jr.
New York Times Service

NAIROBI — By violently crushing pro-democracy demonstrations across Kenya on Monday, President Daniel arap Moi has gambled that opposition leaders seeking to rewrite the nation's constitution do not have enough popular support to weather a brutal police campaign against them.

He is also waging that the Western powers will not abandon him just because his police tear-gassed and clubbed hundreds of protesters demonstrating peacefully to dilute the powers of the presidency and increase civil liberties.

Mr. Moi's calculation appears based on the notion that the opposition is too

NEWS ANALYSIS

disorganized and splintered along ethnic lines to present a viable alternative to his government, even if its human-rights record is less than perfect.

He is probably right on both counts, political experts and diplomats said Tuesday.

On Monday, nine people were killed in clashes at rallies across the nation in the worst political violence since 1991, when a series of similar protests finally persuaded Mr. Moi to end the one-party state and allow multiparty elections.

The police hardly needed to scatter the protesters with such force. After weeks of dire official warnings to citizens not to attend the rallies, the organizers did not draw the huge crowds they had hoped for. Most of the rallies planned in 56 towns attracted less than a thousand demonstrators.

Abroad, the response to the mayhem was muted. Several Western diplomats issued statements Tuesday deploring the violence on both sides and urging the government to talk to the opposition about its demands.

In Washington, Nicholas Burns, the State Department spokesman, said the violence was inspired by Kenya's "failure to take the essential concrete steps to create a free and fair electoral climate."

But no country made mention of Kenya's lifeline of low-interest loans from the International Monetary Fund. One reason is a fear of taking sides in the elections that Mr. Moi must call before the end of the year. Mr. Moi says he is willing to appoint a commission to consider amending the constitution, but not until after the voting.

The streets of Nairobi and other towns returned to normal during the day, but as darkness fell Tuesday night, students clashed with the police near the Nairobi University campus and gunfire was heard.

For most of the day, however, businesses reopened and the roads were full of traffic, despite the heavy presence of paramilitary police. Many workers returning to their jobs Tuesday said that while they supported the protesters, they were weary of the looting and violence attending the demonstrations.

"It does worry us," said Joseph Kwasi, 43, a shop clerk. "We have children at home, and we have to worry about their rights, and this is what most Kenyans need, but the problem is, once the violence starts there is no boundary. Anybody can be hurt."

Opposition politicians and human rights advocates vowed Tuesday to step up their campaign of civil disobedience after a period of mourning for those killed. Police officials, however, said that it was unlikely that demonstrators would turn out in large numbers.

One problem for the opposition is that

the violence has alarmed many middle-class Kenyans, who might otherwise support them. Each time the police have broken up protests in the last two months, the demonstrators — many ranks swelled by college students angry about high tuition costs — have hurried quickly to looting and stoning.

"A lot of people in the middle class are getting, I think, disillusioned with the fact that none of this violence is achieving any of its objectives," said Anthony Nguni, a businessman here, the capital. "The way to get these reforms on the table is not through this violence."

Mr. Moi has skillfully exploited these fears, repeatedly portraying the opposition leaders as bent on sowing anarchy and violence. Thus he has "neatly sidestepped the fact that police have been brutal."

In addition, there are some cracks within the coalition of churches, human-rights groups and opposition party leaders who are pushing for reforms. While the clergy and rights advocates are trying to roll back repressive laws limiting civil liberties, the opposition politicians want to change electoral rules in the constitution that make it hard for them to win.

For instance, one proposed amendment would require a presidential candidate to get a simple majority, or face a run-off election.

Mr. Moi, who comes from a small ethnic group, got about 38 percent of the popular vote in 1996. He won only because most of the Luo and Kikuyu were split along ethnic lines among three candidates.

Mr. Moi has other enormous advantages. He controls the official radio and television. The electoral commission, which registers voters, is stacked with his appointees. Security laws left from the British colonial era give him sweeping powers to detain political enemies and break up public meetings and protests.

Many Reported Hurt

As Riot Police Close University of Nairobi

Compiled by Our Staff From Dispatches

NAIROBI — Police surrounded a university campus and used tear gas to prevent students from marching down town Wednesday to demand democratic reforms and mourn those killed in earlier riots. Hours later, the authorities closed the University of Nairobi.

Witnesses said scores of students were wounded at the main campus as heavily armed riot police moved in to enforce the closure, breaking down doors, looting and vandalizing student rooms.

Students carrying books and suitcases sufficed with their belongings funneled out of dormitories and classrooms between flanks of riot police armed with AK-47s and clubs.

Vice-Chancellor Francis Gichaga said the move was caused by the rising tensions on the main campus, a focal point for reform demands in Kenya.

The students had planned to march to a mortuary where they said some colleagues lay dead after being shot by police during reform rallies Monday. When students attempted to leave the campus, which is next to a police station, riot police beat them back.

Mr. Gichaga said one student died of head injuries and another in a hit-and-run accident Monday. Five students and a staff member were hospitalized with injuries, he said. (AP, Reuters)

Britain Reinforces Ulster Garrison

Reinforces
BELFAST — Five hundred more British troops are being sent to Northern Ireland to help fight a tide of violence, security officials said Wednesday.

They said the troops would be used to combat terrorism and join 18,000 British sol-

diers already in the province. An army spokesman said the additional troops would arrive within 48 hours.

In London, meanwhile, Prime Minister Tony Blair pledged not to give up the search for peace in Northern Ireland, which was still reeling from nights of riots, and

he came out in support of his beleaguered Northern Ireland secretary.

"I am not going to give up," Mr. Blair said in Parliament. "I am going to carry on searching for a solution and I believe if there were true good will on all sides and a little bit of give and take and understanding a solution could be found."

Mr. Blair supported Northern Ireland Secretary Marjorie (Mo) Mowlam in her attempts to avert conflict, saying she had negotiated in good faith and praising her for her "courage and determination."

Ms. Mowlam has been criticized by Irish nationalists for allowing a Protestant Orange Order parade to march Sunday. The march ignited nights of rioting by Catholics.

Sabena's Latest: Brussels-Toulouse

TOULOUSE, France (AFP) — The Belgian airline Sabena says it will offer twice-daily, round-trip flights between Toulouse and Brussels beginning in September. The airline said the move was part of its plan to create a truly European network of flights. Sabena already flies to Lyon, Bordeaux and Nice.

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TRAVEL UPDATE

Most national museums in France will remain open on July 14, the French holiday known as Bastille Day, except those that are traditionally closed Mondays, the government said. (AFP)

A British man was gored in the forehead Wednesday during the third day of the running of the bulls at the San Fermin festival in Pamplona, Spain. Derek White, 28, suffered a minor wound. (AP)

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe				Asia			
City	Today	Low/High	Tomorrow	City	Today	Low/High	Tomorrow
Algeria	26/78	15/58	26/77	17/62	Almaty	26/78	15/58
Amsterdam	19/59	14/49	19/59	14/49	Bah	27/81	18/64
Ankara	27/80	19/59	27/80	19/59	Bangkok	28/100	27/80
Athens	30/86	22/71	31/88	22/71	Batavia	29/84	26/78
Bahia	22/71	18/41	21/70	18/41	Bombay	32/96	28/73
Bangkok	29/84	14/47	29/84	14/47	Buenos Aires	29/84	26/78
Bombay	32/96	14/47	32/96	14/47	Calcutta	32/96	28/73
Buenos Aires	29/84	14/47	29/84	14/47	Chengdu	31/88	27/73
Calcutta	32/96	14/47	32/96	14/47	Colon	30/86	27/73
Chengdu	31/88	14/47	31/88	14/47	Hankow	29/84	26/78
Colon	30/86	14/47	30/86	14/47	Hong Kong	29/84	26/78
Hankow	29/84	14/47	29/84	14/47	Indanabur	29/84	26/78
Hong Kong	29/84	14/47	29/84	14/47	Jakarta	30/86	27/73
Indanabur	29/84	14/47	29/84	14/47	Kobe	29/84	26/78
Jakarta	30/86	14/47	30/86	14/47	London	26/78	15/58
Kobe	29/84	14/47	29/84	14/47	Los Angeles	29/84	26/78
London	26/78	15/58	26/78	15/58	Manila	31/88	27/73
Los Angeles	29/84	14/47	29/84	14/47	Medan	31/88	27/73
Manila	31/88	14/47	31/88	14/47	Moscow	29/84	26/78
Medan	31/88	14/47	31/88	14/47	Mumbai	32/96	28/73
Moscow	29/84	14/47	29/84	14/47	Nairobi	29/84	26/78
Mumbai	32/96	14/47	32/96	14/47	Paris	26/78	15/58
Nairobi	29/84	14/47	29/84	14/47	Perth	29/84	26/78
Paris	26/78	15/58	26/78	15/58	Rangoon	31/88	27/73
Perth	29/84	14/47	29/84	14/47	Shanghai	31/88	27/73
Rangoon	31/88	14/47	31/88	14/47	Singapore	31/88	27/73
Shanghai	31/88	14/47	31/88	14/47	Taipei	29/84	26/78
Singapore	31/88	14/47	31/88	14/47	Tokyo	29/84	26/78
Taipei	29/84	14/47	29/84	14/47	Yokohama	29/84	26/78
Tokyo	29/84	14/47	29/84	14/47			
Yokohama	29/84	14/47	29/84	14/47			

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In this Friday's Leisure The Car Column

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THE AMERICAS

Economy Quietly Cuts Deficit as Politicians Bicker

By Clay Chandler
and Eric Pianin
Washington Post Service

WASHINGTON — As President Bill Clinton and Congress gear up this week for final negotiations to close a balanced budget deal, some fiscal experts are warning that the strong U.S. economy threatens to erase the deficit before Washington can claim credit for eliminating it.

In what could prove a public relations nightmare for Democrats and Republicans eager to boast about bringing spending and revenue into line for the first time since 1969, the economy's sustained vigor has generated an unexpected surge in tax receipts that could wipe out the deficit as early as next year without any change in federal policies.

Administration and congressional officials said Tuesday that a jump in taxes flowing into the Treasury in June suggests that, in the fiscal year ending Sept. 30, the deficit — the annual difference between what the federal government spends and what it collects in revenue — may fall to as low as \$45 billion.

That figure would have only a slight impact in slowing growth of the national debt — the federal government's cumulative borrowings — which over the years has swollen to more than \$5.4 trillion.

But it would be a sharp drop from the \$67 billion deficit Mr. Clinton and the Congress had predicted for fiscal 1997 in their May 2 budget agreement, and about a third the size of the \$126 billion deficit the administration had forecast in February. It also would be less than a fifth of the deficit's \$290 billion peak in 1992.

Just two months ago, Mr. Clinton and the Republican leaders were congratulating themselves on reaching what they billed as a historic agreement on the outlines of a tax and spending plan that would result in balancing the budget by 2002.

But many economists now say that goal is already within shouting distance — and probably could be attained much faster if the politicians would only keep on bickering, thereby precluding the passage of tax and spending proposals that are expected to push up the annual deficits over the next several years.

"I'm predicting a balanced budget by next year, but only if there's no budget deal," said Kurt Karl, chief economist at WEFA Inc., a forecasting company in Pennsylvania. "One more year of gridlock and we're home."

Bill Dudley, chief economist at the Wall Street investment bank Goldman Sachs & Co., said that with incomes rising and more investors paying taxes on their gains from the sale of soaring stocks, Treasury revenue is likely to continue rising. "That could bring us pretty darn close," he said.

Budget negotiators view the Treasury's windfall as a mixed blessing. The extra revenue means a balanced budget could be achieved with fewer painful spending reductions and more popular tax cuts. But negotiators also worry that the recent flurry of good news could breed complacency just as the two-year struggle over tax and spending priorities has reached its most delicate phase.

One sign of that concern: Republican leaders in Congress have urged the Clinton administration to postpone the release of a regular midyear report by the Office of Management and Budget at the White House.

"We would probably prefer to complete this work under the current estimates and get it done," the House majority leader, Richard Armey, Republican of Texas, said Tuesday.

The White House seems happy to oblige. Lawrence Haas, spokesman of the Office of Management and Budget, said it made no sense to allocate re-

sources "to complete a report that we believe could be out of date within three weeks."

Such reserve from an administration that is usually eager to trumpet good economic news has prompted critics of the budget negotiations to cry foul. "If we did nothing," said Representative Edward Markey, Democrat of Massachusetts, "the budget would balance itself."

But many economists dispute the notion that Washington can coast to a balanced budget without further legislative effort.

"There is a set of circumstances that could produce a zero deficit in 1998 or 1999," said a former Congressional Budget Office director, Robert Reich. "But that's like planning to draw four aces."

Sung Won Sohn, chief economist at Norwest Corp. in Minneapolis, predicts there will be annual budget deficits "in the \$75 billion range" throughout the rest of the century in the absence of policy changes and warns that a recession could send deficits shooting back up to \$150 billion.

"The business cycle hasn't been repeated," he said. "We should not make the mistake of assuming today's good times will continue into eternity."

AMERICAN
TOPICSToken Love: New Yorkers
Cling to 'Thing of Beauty'

New Yorkers just can't seem to break the habit. Despite the introduction three years ago of a seemingly reasonable new system of payment for bus and subway rides known as the Metrocard, they have refused to give up on that cultural currency, that symbol of simplicity known as the token.

Only in recent weeks have more than one-fifth of riders begun to use the computerized card. And this largely because it now can be used for free transfers between bus and subway, something the token — a small bronze-colored coin with a pentagonal cutout in the center — cannot.

The Metropolitan Transportation Authority, which has spent \$700 million developing and marketing the Metrocard, may be waging an uphill battle, but it has the weapons.

In January, it plans to begin offering volume discounts, 11 rides for the price of 10, for Metrocard users only.

The transit authority reckons that raw calculations of value for money will then outweigh New Yorkers' love affair with the token, which it hopes to eliminate.

But New Yorkers love their tokens, which over the years have become a form of underground currency, left as lunch-counter tips or dropped in pan-handlers' tin cups.

The token's greatness lies in its simplicity, said Joseph Rappaport, spokesman for the Straphangers Campaign, a transit watchdog group.

"The token is a thing of beauty," he said, "not only because it's a symbol of the city, but also because it's pretty much worked since it was introduced in 1953."

"There's not all that many things that you can say that about in New York."

Short Takes

The U.S. Army has slashed beer rations for the 37,000 American troops in South Korea, and U.S. brewers are stewing.

The object of the cut is to fight black market resales, a widespread practice. GIs have long been able to buy 30 cases a month at their base PXs, for a mere \$12 a case. That is being cut to eight a month — still more than a six-pack every day.

But brewers say the policy is costing them millions of dollars, and they fear it may be extended beyond South Korea.

Politicians are joining the fray. "I don't like to see our troops over there not able to buy American beer that's important to morale," said Representative Herbert Bateman, a Virginia Republican.

One army private in South Korea told The New York Times that morale required at least a 12-pack a day.

After instant tests for pregnancy, the HIV virus and more, a new test will allow quick and easy determination of paternity.

By dialing 1-800-DNA-TYPE, the curious can order a test requiring only swab swipes from the mouths of father and child. Samples are mailed to a company in Houston that analyzes them and sends back results within a week. A match means a 99.9 percent certainty that a man is the biological father.

With courts increasingly demand-

ing that fathers pay for their children's upbringing and welfare departments under new pressure from government to establish paternity and make fathers support their biological children, the tests appear to have a ready market. In some urban areas, out-of-wedlock births now exceed 60 percent of the total.

For the fifth straight year, American cities report they are enjoying improved fiscal health, according to a survey by the National League of Cities. Even cities hard-pressed not so long ago, like Detroit and Cleveland, are reporting mini-booms in residential construction in their centers. In all, 56 percent of cities said they were increasing their capital spending, and 36 percent were increasing their work forces.

The shape of a newly opened museum on the Strip in Las Vegas says it all. The Coca-Cola Co. has just opened the new 100-foot-tall building — shaped like a glass Coca-Cola bottle. The museum features exhibits on the company's history and a fountain, incorporating 1,000 Coca-Cola bottles, that pulses to music.

Brian Knowlton

POLITICAL NOTES

What Did Jones See?

WASHINGTON — After more than three years, President Bill Clinton's lawyers in the Paula Jones Corbin case are finally asking the question that has perplexed observers since the beginning: What "distinguishing characteristics" does she claim to have seen on the president's body?

In a set of interrogatories sent to Ms. Jones last week, the Clinton legal team requested a copy of an affidavit she signed describing the physical traits she said she noticed when Mr. Clinton, then governor of Arkansas, allegedly exposed himself to her in a Little Rock hotel room. (WP)



George Tenet of the CIA.

CIA Hurdle Cleared

WASHINGTON — The Justice Department has told several leading senators that it has concluded its inquiry into the personal finances of George Tenet, clearing the way for him to be confirmed by the Senate as the next director of the CIA.

The confirmation had been delayed while federal investigators examined

the failure by Mr. Tenet to disclose ownership of hundreds of thousands of dollars worth of stock and property that he said he only recently learned he had inherited from his father.

Tuesday, the ranking Republican and Democratic members of the Senate Intelligence Committee said they had been told by Seth Waxman, the acting deputy attorney general, that the department would not seek the appointment of an independent counsel to investigate Mr. Tenet's finances.

The decision effectively closes the case against Mr. Tenet, who was nominated to be CIA director in March after the former national security adviser Anthony Lake withdrew his nomination. (NYT)

Kennedy Probe Ends

BOSTON — The authorities have bailed an investigation into allegations that Michael Kennedy, a son of the late Senator Robert Kennedy, had sex with his children's baby-sitter when she was under age.

The Norfolk County district attorney, Jeffrey Locke, said at a news conference Tuesday that he had ended the statutory-rape investigation, at least for now, largely because the baby-sitter, now a 19-year-old student in Boston, had refused to aid in the inquiry. The investigation began in April after The Boston Globe reported that Mr. Kennedy, 39, had an affair with the baby-sitter, possibly beginning when she was 14. Mr. Kennedy has not commented on the allegations. (NYT)

Quote/Unquote

Senator Max Cleland, Democrat of Georgia, at the Senate campaign funding hearings, quoting in part the comedian W.C. Fields: "It is time to take the hull by the tail and face the situation. There are 'For Sale' signs on both ends of Pennsylvania Avenue." (NYT)

Away From
Politics

• A bride of 12 hours, Susan Laatz Mangan of Indiana was climbing the stairs to her honeymoon suite when the 24-year-old collapsed into her husband's arms and died, possibly of a heart attack. (AP)

• The head of the nation's largest black church denomination, Henry Lyons of the National Baptist Convention USA, is embroiled in alle-

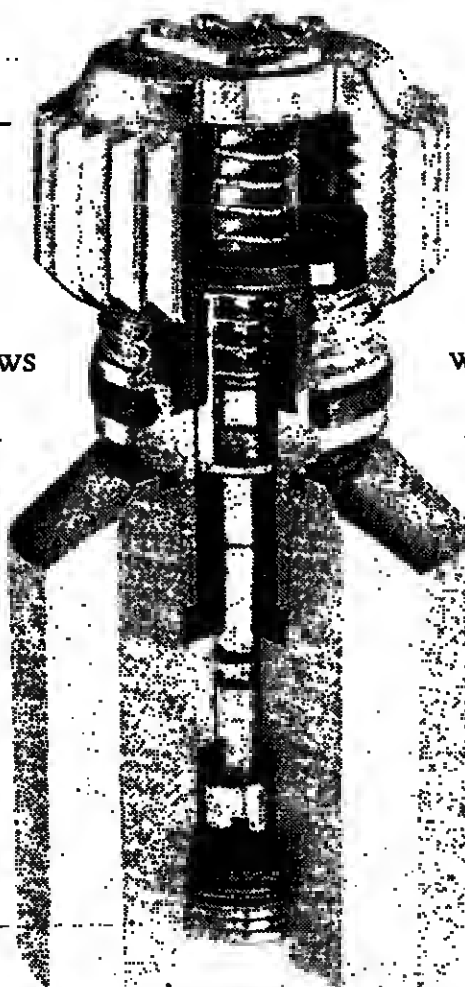
gations of adultery after the arrest of his wife this week for setting fire to a Florida mansion jointly owned by her husband and another woman. (WP)

• Many of the benefits available to married people in Hawaii are being offered to gay couples, siblings and roommates under a law enacted to head off homosexual marriages. (AP)

• A man accused of sparking a California brush fire with illegal fireworks has been charged with murder in the death of a helicopter pilot who died fighting the blaze. (AP)

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U.S. Avoids Halting Cambodia Aid

Washington Works With Allies to Step Up Pressure on Hun Sen

By Steven Erlanger
New York Times Service

WASHINGTON — After hesitating a day, the United States has condemned Cambodia's second prime minister, Hun Sen, for using force to oust a rival from government, but it stopped short of cutting off \$42 million in aid to the country.



Hun Sen and guard in Phnom Penh.

Instead, the United States is working with Asian allies to coordinate pressure on Mr. Hun Sen to remove his troops from the streets and peacefully resolve the crisis with his opponents.

As the major power behind the 1991 Paris accords that ended decades of war in Cambodia, the United States is in a critical position to help develop a consensus that could prevent further bloodshed.

But no one country holds a lever powerful enough to budge Mr. Hun Sen, officials say, and a joint response, which may yet include cutting off aid, would be more effective.

"Our position is that the overthrow of a duly constituted democratic government by military means is unacceptable, and we made that point strongly to the Cambodian ambassador here and at the United Nations," a senior American official said. "We want to send a message to Hun Sen that we don't accept the legitimacy of what he's done and don't want to see another dictatorship emerge in Cambodia under the fig leaf of a coalition."

Mr. Hun Sen's forces have begun arresting political opponents, and at least one has been killed.

The first prime minister, Prince Norodom Ranariddh, left Cambodia for France on Friday, before two days of fighting that led to Mr. Hun Sen claim-

ing full power. The two men had been sharing power uneasily since a 1993 election run by the UN.

After saying little about the situation in Cambodia on Monday, the State Department spokesman, Nicholas Burns, on Tuesday expressed "strong opposition to the use of force to change the results of the 1993 election and the use of force by the forces of Hun Sen to effectively rupture the Paris accords of 1991."

But Mr. Burns refused to call the events in Cambodia a "coup," apparently because U.S. law requires the immediate suspension of aid if an elected government is overthrown.

While defending the right of Prince Ranariddh's party to operate freely in Cambodia, other American officials said it would be unrealistic to require his return to office, given the antipathy between the two men.

One official also said Prince Ranariddh had been "playing with fire" in the days before he left Cambodia by trying to secure the political and military support of the Khmer Rouge, his old allies, against Mr. Hun Sen.

Some factions of the Khmer Rouge, which governed Cambodia in a time of mass starvation, brutality and executions in the mid- and late 1970s, have been trying to negotiate a return to the country's political life.



Singaporean troops conducting a security check at Phnom Penh airport before evacuating their countrymen.

For now, American officials said, they are not ready to suspend aid to Cambodia, as Japan has effectively done. Instead, Washington is working on a coordinated response with the members of the Association of Southeast Asian Nations, the UN Security Council and the co-signers of the 1991

Paris accords — Japan, India, Canada and Laos. On Thursday, ASEAN members are to consider delaying Cambodia's entry into that group, which was to take place this month.

After consulting with other countries Monday, the United States on Tuesday enunciated a set of principles on Cam-

bodia: the use of force to overturn the 1993 elections is unacceptable; all Cambodian political parties must be allowed to operate freely; Khmer Rouge leaders should play no political role; free and fair elections should take place as scheduled in 1998, and the principles of the 1991 Paris accords must be upheld.

CAMBODIA: Fear of a Widening Crackdown

Continued from Page 1

in, but would keep the mission there open, Reuters reported from Washington.

[The State Department spokesman, Nicholas Burns, said the number of American diplomats in the country would be reduced to 20 from 61 because of the "uncertain security situation." He said from 1,000 to 1,300 other Americans in Cambodia were being urged to leave.

[Mr. Burns said there were contingency plans for a military evacuation of Americans, but that it was hoped the diplomats and others could leave by civilian transport now that flights were being restored at Phnom Penh airport.]

In a well-planned military

action, Mr. Hun Sen made his final move last weekend in a sharpening feud with Prince Ranariddh while the prince was on a visit to France. He declared the prince a traitor and said he would be put on trial if he returned home.

The coup ended a bitter partnership that was put in place by a \$2 billion effort in democracy-building by the United Nations. That effort included a democratic election, in 1993, and the institution of a model constitution that embodied the ideals of freedom and human rights.

About 90 percent of Cambodians voted in the election despite threats of violence. And apart from a largely corrupt and ineffectual government, many Cambodians em-

braced with fervor the opportunity to build a free society. With foreign help, the country developed an energetic and often brave press corps, a growing cadre of young lawyers and an expanding number of organizations dedicated to fostering human rights.

"I feel like this country had a real chance," said a Westerner who has spent the past four years helping to create democratic institutions in Cambodia. "People were starting to plan a little," he said. "Cambodians didn't even begin to plan ahead for 20 years. Now they have no confidence in the country, no confidence in the future. It's hard to imagine any scenario now in which you can restore hope."

The Cambodian human rights worker said he had already paid a visit to a local military commander and told him, "Please help me, and I will work with you."

"He said, 'No problem. If something happens, give me a call,'" the human rights worker said, pulling from his pocket a slip of paper on which he had written the commander's telephone number.

But he said the sight of foreigners fleeing his country had brought back memories of 1975, when the Communist Khmer Rouge, under Pol Pot, seized control of the country and began a reign of terror.

BRIEFLY

North Korean Praise for Kim Il Sung

TOKYO — In what it described as an "important broadcast," North Korean radio Wednesday poured praise on its founding father, Kim Il Sung, one day after the third anniversary of his death.

The announcement of the broadcast had fueled speculation of a possible political upheaval in North Korea.

The centerpiece of the broadcasts was a resolution by the power groups in the Communist nation "extolling the great leader comrade Kim Il Sung's revolutionary life and immortal exploits for all ages."

(Reuters)

More Fighting in South Philippines

ZAMBOANGA, Philippines — More fighting erupted in the southern Philippines on Wednesday despite an order by President Fidel Ramos for the military to cease offensive activity to clear the way for cease-fire talks, an army spokesman said.

There were no immediate reports of casualties in the clashes, which broke out after 100 guerrillas of the Moro Islamic Liberation Front shelled an army command outpost in Maguindanao Province, said an army spokesman, Captain Salih Indanan.

(Reuters)

Australia Is Not Racist, Leader Says

CANBERRA — Prime Minister John Howard, under fire over race issues in recent months, has called for an end to "unreasonable criticism" of Australia.

"I think it is time we called an end to the self-flagellation, the introspection, the defensiveness and the willingness to accept unfounded criticism, unjustified criticism of the performance of the Australian nation," Mr. Howard said at a Liberal Party dinner Tuesday night.

(Reuters)

Manila Puts Off Plan to Cut Traffic

MANILA — Officials said Wednesday they will postpone a tough new plan to limit the number of cars on the roads of metropolitan Manila in the face of widespread opposition.

The police chief superintendent, Florencio Fianza, announced the postponement a day after saying the scheme would go into effect Monday.

The proposal would ban private vehicles three days a week in Manila from 7 A.M. to 7 P.M.

(AP)

Hong Kong Legislature Votes to Deport Children

By Keith Richburg
Washington Post Service

HONG KONG — Hong Kong's new appointed legislature, in its first formal sitting in the domed colonial council chambers, on Wednesday set about imposing a new vision on society as protesters outside donned black headbands and played funeral music.

Vanquished former lawmakers looked on powerless from the public gallery.

During a hectic day marked as much by the protests on the streets as the procedure in the chambers, the Provisional Legislature — taunted by demonstrators as a "dictatorship" and a "tyranny of tycoons" — began the process of undoing laws passed by the last elected chamber and tackling one of Hong Kong's most pressing problems: illegal immigration from the mainland.

The legislature voted to deport hundreds of children who immigrated here illegally from China to join their Hong Kong parents. A new law, approved 45 to 6, says children who maintain they have the right to live here must first obtain a government "certificate of entitlement," and those who crossed the border without one can be sent back.

An estimated 66,000 children in China are believed to have the right to live here because at least one parent is a Hong Kong resident. The new law most immediately affects 424 children who surrendered to the government after the July 1 handover, saying their right to stay is guaranteed under the Basic Law, the mini-constitution governing Hong Kong.

Lawyers and human rights activists quickly condemned the legislature's action — and particularly the decision to make the new residency law retroactive to July 1, when Beijing took charge. Critics said the new legislature was setting a dangerous precedent by passing laws and making them retroactive. Saying that the law violated the right to abode guaranteed in the Basic Law, they predicted an immediate court challenge.

Most of the legislators seemed unfazed by the sometimes noisy public protest outside. "I'm used to walking through a crowd," said Henry Tang, a leading industrialist here. "We are a free place. I'm very, very pleased to see them because it shows that the SAR government doesn't restrict free speech."

On July 1, Hong Kong became a special administrative region of China. "The Democrats can say what they like — they have freedom of speech," said Elsie Tu, who lost her bid for election in 1995 but was then appointed by China to the new panel.

The new legislature also agreed to review a series of social welfare laws passed in the twilight of the previous, democratically elected council. Those laws give more power to trade unions, expand worker rights, set out new environmental safeguards for Hong Kong's harbor and give the region's bill of rights precedence over all other legislation.

The government of Chief Executive Tung Chee-hwa had asked the council to suspend all the new laws, but the legislature, after some debate, decided to put off the question of which laws to scrap.

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BELGRAVIA

EUROPE

As NATO Patrols, Karadzic Hides in Plain Sight

By Chris Hedges
New York Times Service

PALE, Bosnia-Herzegovina — The pace of the dusty main street in this Bosnian Serb stronghold, where bearded men sit at small tables sipping cheap brandy and eating of cigarettes, quickens for a few seconds most mornings when a gleaming dark Mercedes whizzes through town, followed by armed men in Jeep Cherokees.

Inside sits Radovan Karadzic, the Bosnian Serb leader who has been charged by a United Nations tribunal with overseeing the worst atrocities in Europe since World War II.

As NATO leaders were meeting in Madrid to admit new members and discuss how to resolve the thorny problem of his continued control of the Bosnian Serb enclave and his steadfast obstruction of the Dayton agreement that ended Bosnia's war, Mr. Karadzic was parading openly around his mountain stronghold like a feudal lord.

"He works most of the day out of the Famos factory at the edge of town," said a Bosnian Serb official, who asked not to be named. "He comes into town to see his wife at the Health Ministry or to visit government houses. At night he is

in his chalet on the hill meeting with officials."

It was not supposed to turn out like this.

Under the Dayton accord, Mr. Karadzic and the Bosnian Serb commander, General Ratko Mladic, who remains in control of the army, were to be sent to face trial before the tribunal at The Hague. New leaders were to take power in internationally administered elections. And Bosnia's Serbs, Croats and Muslims, now partitioned in three ethnic enclaves, were supposed to set off on the road to peace.

But, while the 31,000-strong North Atlantic Treaty Organization force here is willing to keep the peace by patrolling the partition lines, it has been unwilling to run the risk of getting embroiled in a manhunt for those, like Mr. Karadzic, who are wanted for war crimes.

"We tried this in Somalia," said a senior U.S. commander, reflecting the prevailing view in the Pentagon, "and it didn't work. We don't want to get into a conflict with the Bosnian Serbs. It is not worth the risk to our troops."

Once this became apparent to the Bosnian Serb hierarchy, which has a history of responding only to a credible threat of force, the lofty script set down

in the Dayton accord went up in a tiny puff of smoke.

Mr. Karadzic, a psychiatrist with an unruly mop of white hair who considers himself an intellectual and a poet, has also shown a mercurial and brutal side.

He is accused by the Hague tribunal of overseeing the forces that carried out the slaughter of thousands of unarmed civilians in Srebrenica in 1995.

When NATO forces first landed in Bosnia in December 1995, Mr. Karadzic and many of his supporters began to pack up and plan their escape.

But the NATO forces, led by Admiral Leighton Smith of the United States, appeared in Pale mostly in the form of Italian troops with droopy black feathers hanging out of their cloth caps.

NATO patrols often literally had to look the other way to avoid bumping into Mr. Karadzic and General Mladic.

"There was a moment, right after the Dayton agreement, when Karadzic could have been seized with little risk to our troops," said a senior NATO commander, "but Admiral Smith let that moment slip through his hands. It was a terrible, terrible mistake and could have avoided many of the problems we face today."

The mood in Pale swiftly changed. Mr. Karadzic's ability to defy the West,

as he had done during the war, again began to earn him grudging respect. Where respect was absent, fear, in the form of the police Mr. Karadzic controls and pays, took its place.

Mr. Karadzic soon refused to step down as president, and exasperated international officials threatened to exclude the Serbs from the Bosnian elections run by the Organization for Security and Cooperation in Europe.

The elections were carried out in September with the participation of all sides after Western officials, including Assistant Secretary of State John Kornblum, quietly passed on the message that if Mr. Karadzic disappeared from public view he would be left alone, Western diplomats say. When Mr. Karadzic did resign, at this time last year, Western officials called it a great triumph.

Mr. Karadzic still holds as much power here as the de facto Bosnian Serb leader, so much in fact that he recently moved to oust the elected Bosnian Serb President, Biljana Plavsic.

His acolytes have faithfully obstructed every effort to unite the Serbian enclave with the rest of Bosnia.

Muslim and Croat refugees have not returned to homes in the Serbian enclave. The Serbs have blocked the for-



Biljana Plavsic, the Bosnian Serb leader, greets supporters at a rally.

BRIEFLY

Flooding Ravages Czech Republic

PRAGUE — Floods that had ravaged parts of the northeastern Czech Republic since Sunday spread Wednesday to cover a quarter of the country.

Jiri Skalicky, minister for the environment, announced at a cabinet meeting that estimates of damage to bridges, roads and railways had reached 10 billion koruny (\$310 million). (AFP)

Germans Accept Scientology Ban

BONN — A court ruled Wednesday that Chancellor Helmut Kohl's Christian Democratic Union had a right to exclude members of the Church of Scientology from the party.

The court rejected a claim by three Scientologists that the Christian Democrats had violated their right to freedom of religion by excluding them. (Reuters)

Who Owns Looted Art Treasures?

AMSTERDAM — Amid lingering concern over unclaimed assets of Dutch victims of the Holocaust, the government will investigate whether thousands of artworks, once plundered by Nazis and now in state archives, belong to Jewish families.

The investigation will focus on 3,700 paintings, including works by Monet, Van Gogh, Rembrandt and Rubens, most of which were looted by Nazi soldiers during their World War II occupation of the Netherlands. (AP)

Stasi Spy's Sentence Upheld in Germany

BERLIN — The German Federal Court of Justice on Wednesday upheld a 1996 conviction of Alexander Schalck-Golodkowski, a former secret police colonel in East Berlin, found guilty of smuggling arms into the former Communist East Germany.

Colonel Schalck had appealed against his conviction for importing firearms and night-vision devices valued at 8.5 million Deutsche marks (\$3.5 million) during the Cold War. (Reuters)

Traffic in Prostitutes: Plight of Newcomers Troubles Italians

By Celestine Bohlen
New York Times Service

ROME — On summer afternoons, before the sun sinks behind the pine forests on Rome's western edge, a dozen or so young African women take up their places on either side of a remote commuter road, scanning the traffic for customers. Then, about 6 P.M., the shift changes. The African women leave, ceding their spots to transvestites from South America who stay until the sun sets, before moving to the safer glare of the city's lights.

On another commuter artery to the south of Rome, two young women from Ghana sit perched on a metal traffic barrier until two cars pull up, offering each a ride. Farther down the road stands a 22-year-old Romanian in short shorts and a skimpy T-shirt who says she is getting ready to give up prostitution and go back home.

"Another three months, and then I quit," said the Romanian, who came to Italy 16 months ago. "I have put money aside, enough to buy a house or a store. I'm going to get married and then I'll be O.K."

In the last 10 years, street prostitution in Italy has undergone a sea change; once the last resort of desperate Italian women, it is now a reflection of the shifting

demographics of a country that used to see very few foreigners, except tourists.

And although the volume of immigration to Italy is still lower than in many other European countries, foreign prostitutes are a visible reminder that this country, once an exporter of emigrants, now has to make room for newcomers — including those who earn a living on the edges of society.

"If you look, you don't see any Italian prostitutes on the streets because of the laws of the market," said Angelo Bonelli, president of a regional commission on criminality. "There is strong competition, and foreign women charge lower prices."

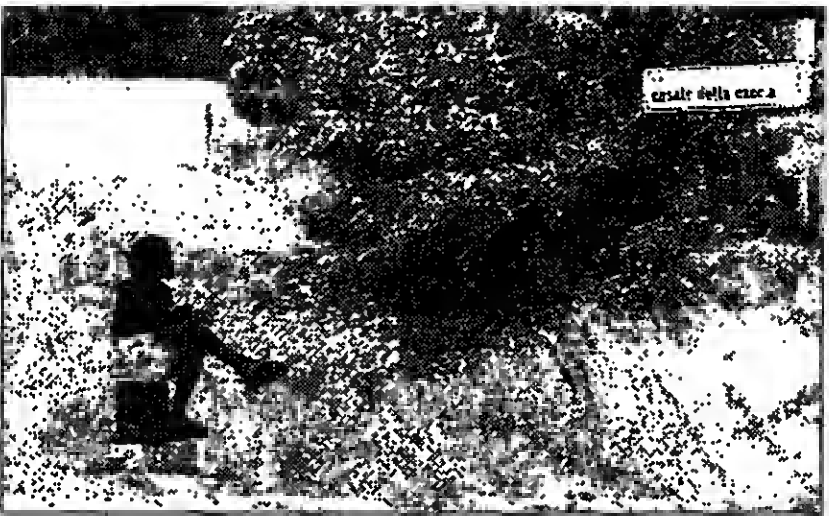
There is more to the issue of foreign prostitution than the displacement of Italian prostitutes, most of whom, with the exception of drug addicts, have retreated to apartments and massage or sun-tanning parlors. Prostitution is not a crime in Italy, but aiding, abetting and exploiting prostitutes is, and according to recent statistics, such criminal activity is increasing. Of the 737 people charged with exploiting or abetting prostitution in Italy in 1994, up from 285 in 1990, one third were foreigners, most of them from Eastern Europe. And of the 2,594 Albanians in Italian jails, 20 percent are being held on prostitution-related

charges, according to official statistics.

But to many, the most troubling development is the growing evidence that as many as 10 percent of the foreign prostitutes now working the streets and highways of Italy are bound to their jobs by fear and by financial obligations incurred when they accepted offers of a train or plane ticket, a visa and work in

Western Europe's restricted job market.

"Sometimes men promise them marriage or tell them they will find work for them," said Livia Turco, Italy's minister for social affairs. "But once the women arrive, their passport is taken from them. Sometimes the women want to come to Italy, but they can't find work so they become prostitutes, which is still



A prostitute working a Rome street. Many are from Albania and Nigeria.

1997 Summits & Conferences

As an extension of the news and commentary the International Herald Tribune brings to its readers, the newspaper has a successful and highly-respected worldwide summit and conference program that focuses on economic, social and political issues. The program for the second half of 1997 includes:

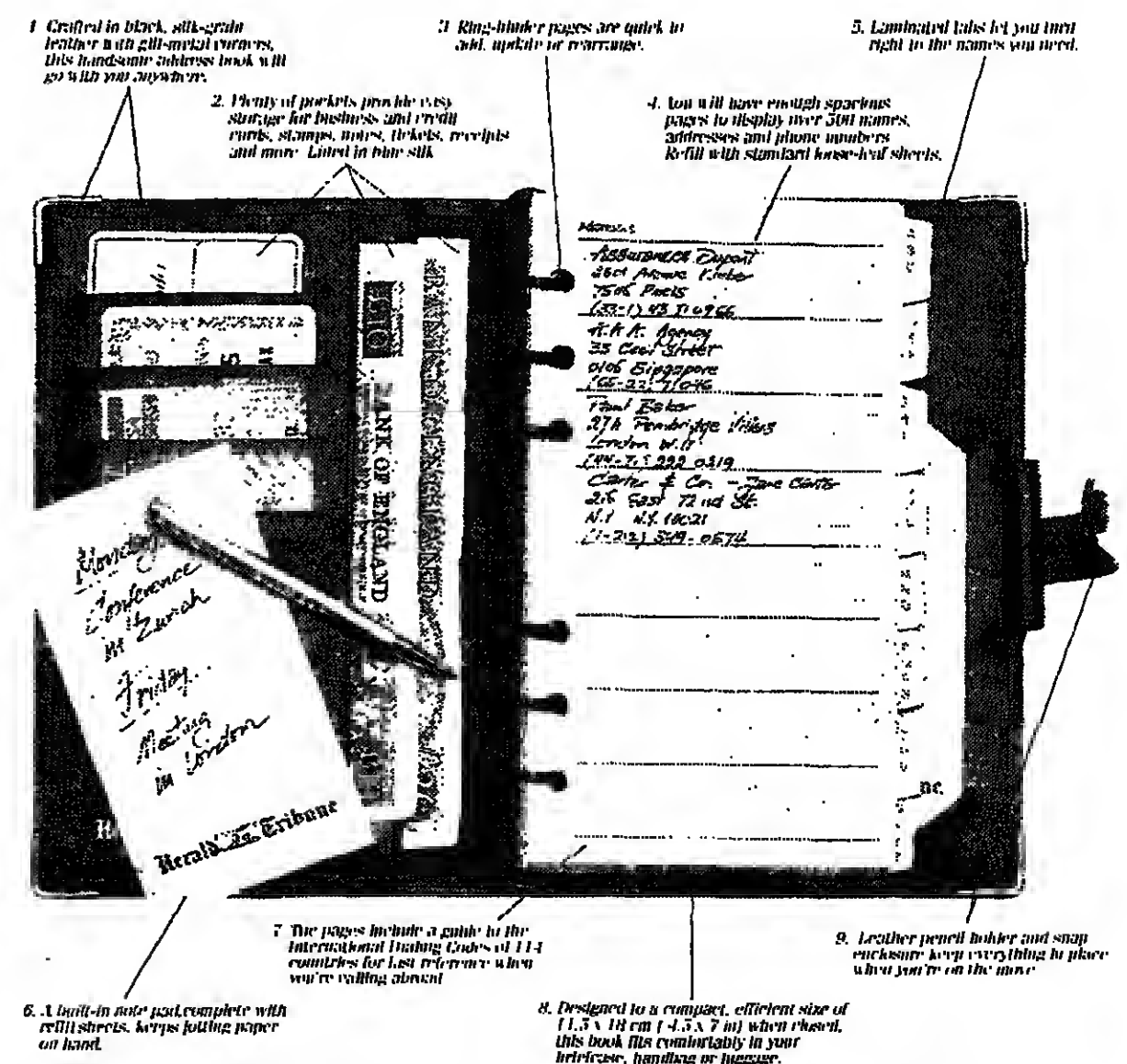
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INTERNATIONAL

EU Membership Seen as Vital to East's Security

By Peter S. Green
International Herald Tribune

PRAGUE — The bear hug with which NATO has embraced Poland, Hungary and the Czech Republic may have ended the Cold War political division of Europe, but analysts say it has done only half the job of ensuring the security of Central and Eastern Europe.

Only economic prosperity can truly secure the region's future, they say. But just as NATO is opening its doors to the region, there is concern that the European Union is becoming reluctant to expand eastward.

Without EU membership, said Krystian Piatkowski, senior analyst at the National Security Bureau in Poland, Central Europe will remain in a "gray zone" between Moscow and the Euro-Atlantic axis.

"A country like Poland, with our history, does not want to stay in a zone of potential instability," he said.

The EU's once ambitious plans to absorb up to 10 former Communist countries are bogged down as the Union wrestles with creating a single currency, reforming its internal workings and

tackling low growth and high unemployment. Last month's summit meeting in Amsterdam was supposed to open the door for eastward expansion, but it left Eastern leaders disappointed.

The European Commission, the EU executive body, is scheduled to decide next week whether to open accession negotiations with Poland, Hungary, the Czech Republic, Slovenia and Estonia. But the lack of EU internal reform means that any of the 15 member states could block expansion, particularly Spain, Portugal, Ireland and Greece, which would lose substantial funds to those poorer Eastern members.

Even an EU fund of 45 billion Ecus (\$50.7 billion) to aid expansion — which is to be announced in Strasbourg next week by the Commission president, Jacques Santer — could eventually be torpedoed by them.

The potential for delay worries many in the East.

"Security has several dimensions — military, political but also economic security," said Jiri Pehe, senior analyst at Radio Free Europe in Prague. "These new market economies will not really be secure from the extensive tremors and

turbulences of transition until they are fully integrated into the EU market."

"NATO and the EU are part of a single package, and the EU is the one that fosters economic security," Mr. Pehe said.

Economic crises have hit every one of the region's economies as they struggle with the difficult transition from central planning to free markets. The painful budget cuts and factory closings, and the resultant price rises and unemployment, fueled the resurgence of former communist and populist forces from the old Yugoslavia to Romania, Bulgaria and Slovakia who made lavish promises that only left their countries deeper in crisis.

"Economic decisions would be driven far less by ideological decisions than they are now," Mr. Pehe said in support of EU membership, "because politicians would have to play on a very clearly defined playing field."

That view is echoed across the region by analysts who note a slowdown in EU efforts to promote Western expansion.

NATO membership alone will not ensure Poland's security, said Mr. Piatkowski, the Polish security official. "The major goal of our region is not to remain or to cope with a military threat,

because that doesn't exist," he said, "but to provide the country with all the conditions for rapid economic development. We perceive NATO membership as a first step and related to EU membership."

The EU recognizes that the East needs to join the club. The region's economies are small, and without membership in the world's largest trading bloc they will be increasingly buffeted by the winds of international trade, analysts said.

"It's better to be at the table," said a senior EU official. "In a world increasingly dominated by globalization, it's important to have a say in the decisions."

But the EU line is that aspiring members should not worry if expansion is delayed a few years.

"These countries are still in transition, and the aim of the enlargement process is to be inclusive," the official said. "It's not a question of whether they will join. In two, five or 10 years everyone will join."

Not everyone agrees with that laid-back assessment. Jan Klacik, chief economist for the Czech National Bank, warns that each year of delay could cost the Czechs more than one percentage point of economic growth.



Prime Minister Gyula Horn of Hungary, left, President Vaclav Havel of the Czech Republic and President Aleksander Kwasniewski of Poland in March.

NATO: Ukraine Is Embraced as a Partner

Continued from Page 1

heading off any threats to security.

President Clinton, who was flying Thursday to Poland, and then on to Romania to explain that "the door to this alliance and partnership to the West is open," insisted at a press conference that the costs of expansion would be moderate.

When he was asked why relatively poor candidate countries with no clear external threat were going to have to buy new weapons to meet NATO standards, the president said they will not have to buy "the most expensive weapons to do everything in the world, but it does mean that if they're going to undertake the projected missions of NATO they're going to have to be properly armed."

"I think some people in the United States have grossly overestimated the costs of NATO expansion," he continued. "I do believe that the nations involved should pay most of the costs themselves."

Secretary of Defense William Cohen estimated the costs to NATO on Tuesday as ranging from \$27 billion to \$35 billion over the next 13 years, with new members paying approximately one-third of the amount. The U.S. share, he said, would be from \$150 million to \$200 million over the next 10 years. Current European members, Mr. Cohen said, would take over one-third of the total expansion costs.

The president did not directly reply to a question about a remark by President Jacques Chirac of France that his country would not make extra contributions to NATO to fund the enlargement.

Rather, Mr. Clinton said, "there will be some infrastructure that will have to be built in the countries of members so that we can have what is called interoperability. And I would expect that these costs would be modest for all countries, but I would think that the Europeans and the United States and Canada will have modest costs that we will bear. And I think that most of the costs will be borne by the member states. It was up to them to make a judgment."

— JOHN VINOCUR

■ Clinton Backs Mrs. Plavsic

President Clinton threw his weight behind the Bosnian Serb leader, Biljana Plavsic, on Wednesday while NATO's top soldier in Europe warned hard-liners opposing her not to underestimate the alliance. Reuters reported from Madrid.

"We support Mrs. Plavsic in what she is trying to do, we oppose the unconstitutional efforts to usurp her authority," he told reporters at the end of a two-day NATO summit meeting.

During the meeting, called to invite former Communist nations to join the alliance, NATO tried to turn up the heat on hardline Bosnian Serbs flouting the Dayton peace accords.

But Mr. Clinton and other NATO leaders ducked questions on whether to act to detain indicted war criminals, such as the former Bosnian Serb leader, Radovan Karadzic.

"We believe that Mr. Karadzic and all the other people accused of war crimes should be arrested and sent to trial," Mr. Clinton said, but added it would be "inappropriate" to comment on whether troops should be sent to seize them.



Leaders at the NATO meeting gathering for a photo with Queen Sofia and King Juan Carlos, bottom right.

COMMERCE: The New Secretary, Daley, Is the Un-Ron Brown

Continued from Page 1

policy, Mr. Daley has preemptively downsized his department.

Eleven days ago he announced layoffs of 40 political appointees, and wherever he travels these days, he repeats the mantra that "there is no room for politics in the Commerce Department." It is a strategy meant to ensure that should John Huang, the former Commerce Department official turned fund-raiser, end up testifying at the hearings under a grant of limited immunity from prosecution, the department could say that it had already carried out major reforms.

But the ripple effects of Mr. Daley's actions, in the minds of many inside and outside the Commerce Department, are wider than may have been intended. A White House that once sought headlines for promoting U.S. exports is these days often shying away from conspicuous displays of U.S. diplomatic power to win contracts abroad.

Even the definition of commercial diplomacy, a phrase Mr. Brown's aides settled upon because they thought the word "commercial" would keep the State Department from interfering, is undergoing a significant shift. In speech after speech, U.S. officials are putting less emphasis on describing export promotion and the creation of jobs in America as the goal.

Far more often, they talk about using economic initiatives — from low tariffs to trade accords to promoting investments by American companies — as ways to promote peace and stability, from Africa to Northern Ireland.

"Export promotion is still a big part of what we do around here," Mr. Daley said in a recent interview. "But we are also trying to show that there is much more that we can accomplish around the world pulling economic levers."

Mr. Daley has received enormous praise within President Bill Clinton's administration for defusing a major trouble spot: On Capitol Hill, Republicans are no longer talking about dismantling the Commerce Department.

"Bill has one of the most sound political antennae I've ever seen," said Stuart Eizenstat, who left a top Commerce Department job recently to become undersecretary of state for economic affairs.

So far, however, Mr. Daley has not laid out the kind of well-articulated trade agenda that characterized Mr. Clinton's first term, and some fear that the department is losing the sense of mission it briefly had.

In a recent article in Foreign Affairs magazine, Jeffrey Garten, the undersecretary of commerce for international trade during most of Mr. Clinton's first term, said the White House's enthusiasm for its old strategy waned after campaign-finance investigations "raised a host of questions about whether America's commercial diplomacy, particularly in Asia, was for sale."

Mr. Garten, now the dean of the Yale School of Management, wrote that the administration had "lost its laser-like focus on the importance of foreign markets to the United States."

Mr. Garten's deputy at the Commerce Department, David Rothkopf — now a

senior official at Kissinger Associates, former Secretary of State Henry Kissinger's consulting firm — is even blunter. "In the way we once knew it, commercial diplomacy is nearly dead," he said. A paper he wrote this year, "On the Short Life and Impending Decline of Commercial Diplomacy," has been copied, recopied and endlessly argued about in his old department.

The White House maintains, however, that its focus on these issues is undiminished.

"Commercial diplomacy is not dead, because we can't just walk off the field," Mr. Daley insisted, sitting near a



William Daley at a Bonn meeting.

photograph of his father, the late Richard Daley, the legendary mayor and political power broker in Chicago (his older brother Richard Daley is Chicago's current mayor).

"We have to conduct this kind of effort because it's clear that Helmut Kohl and Jacques Chirac aren't going to stop," he said, invoking the leaders of two of America's major political allies and economic competitors, Germany and France.

Nonetheless, some career officials within the Commerce Department say there is an absence of the electricity that was there in Mr. Clinton's first term.

Mr. Brown and Mr. Garten, for example, built a "war room" on the department's fifth floor to coordinate the activities of U.S. agencies — from ambassadors to the CIA to the president — in tracking major building projects around the world and making sure that U.S. businesses won their share.

Mr. Daley eschews the economic warfare analogies — "the term 'war room' always bugged me," he said — although he insisted that "we are probably being as aggressive as we used to be in our advocacy center."

His aides like to point instead to a new "compliance center," set up by Mr. Eizenstat, who says he was "stunned to discover when I arrived at Commerce that we were so busy negotiating trade agreements that we never tracked whether countries were abiding by them."

But monitoring old trade accords, Mr. Daley's aides concede, does not make for flashy headlines.

"What you are seeing is a difference in style between me and Ron," Mr. Daley said. "But times are also different. The American economy is booming. Some of the big projects around the world that we were so eager to get are slowing down a bit now."

Moreover, he said, "I'm not sure that American companies need as much government help to get a foot in the door as they did a few years ago."

The stylistic differences are particularly evident on trade missions. Mr. Brown made much of the pageantry of signing deals. One of his first big missions was to China in 1994, and he repeatedly referred to it as having led to \$6 billion in deals. But most of those were "memorandums of understanding," and many of the understandings quickly unraveled.

In fact, nearly three years after Mr. Brown's mission, the Commerce Department says only \$1.66 billion of those deals actually came to fruition, with an additional \$3.2 billion officially described as still being "pursued" by American companies.

By contrast, instead of taking along big-name chief executives on his South American trade mission, Mr. Daley traveled with lesser-known executives a few notches down the corporate ladder, selected according to a strict new set of criteria. Those rules limit participation to companies with a demonstrated interest in the region to be visited, and the final selection is made by a committee dominated by career officials.

The new rules are intended to avoid one of the big questions that still linger over Mr. Brown's death: How did corporate executives, some of whom were big political donors, get aboard the secretary's plane? Mr. Brown's method of selection remains a mystery.

"The list of participants on these trips just appeared from Brown's office," a senior Commerce official said recently. Nonetheless, reams of documents on that issue made public over the past two years have yet to produce convincing evidence that any executives promised to make campaign donations in return for a seat on a mission.

These days, Mr. Daley is constantly treading a fine line. He has steered clear of any criticism of Mr. Brown. But that criticism is implicit in many of the changes he has made.

The political appointees laid off included several officials in the Secretary's office. Mr. Daley has said he will shrink the total number of posts filled by political appointees throughout the department by roughly 100, to about 250.

If Mr. Daley has put out the political fires at Commerce, however, he and U.S. Trade Representative Charlene Barshefsky and Secretary of State Madeleine Albright are just beginning to define new goals for the nation's foreign business and trade agenda.

Six months into the second term, however, many issues that fall under the umbrella of commercial diplomacy are still under debate within the White House. No one has ever resolved the question of how deeply the intelligence agencies should get involved in economic espionage, an argument that has raged for several years now.

PROBE: Aide's Calls Cited

Continued from Page 1

Under questioning from the committee's Republican counsel, Michael Madigan, Mr. Sullivan said he had been concerned that the party's top lawyer instruct Mr. Huang about the law forbidding foreign donations and had been assured that Mr. Huang received such instruction.

"I was concerned that John knew the rule," he said.

More than half of the \$3 million in donations the Democratic National Committee has returned from the 1996 election was raised by Mr. Huang. The money has been returned because of concerns that the donations came from illegal foreign or improper sources.

Mr. Sullivan said he had interviewed Mr. Huang for a fund-raising job after Marvin Rosen, then the finance chairman of the Democratic National Committee, told him of two calls he had received in late 1995 from the White House deputy chief of staff, Harold Ickes.

"My sense of it at the time was that Harold had called Marvin twice over a period of a couple of weeks, and that is when Marvin acted on it," Mr. Sullivan said.

His questioning by Fred Thompson, the Tennessee Republican who is chairman of the panel, was designed to establish that the White House pressed for Mr. Huang to get a job with the Democratic Party.

The head of U.S. operations for the Indonesian-based Lippo Group financial empire, Mr. Huang was appointed by President Clinton in 1994 to a deputy assistant secretary at the Commerce Department, where he had access to intelligence information.

In 1996, Mr. Huang left the department to become the Democratic Party's chief funds solicitor in the Asian-American community, a job that ultimately landed him and the party in controversy.

In Madrid, Mr. Clinton offered vague answers to questions about Mr. Huang.

"I believe that John Huang at a point when I saw him in 1995 expressed an interest in going to work to help money for the Democratic Party and I think I may have said to someone that I wanted to go to work at the DNC," Mr. Clinton said.

"I don't remember who I said that. I wish I could tell you more. Most of the time, I don't volunteer to help you raise money in this world."

Mr. Clinton called assertions that China had tried to sway the 1996 elections "a serious charge," but said that no conclusions should be drawn until FBI investigation had ended.

The Thompson inquiry opened Tuesday with claims that China had tried to direct substantial sums of money to influence the 1996 elections.

"I do not know whether it is true or not," Mr. Clinton said at the news conference in Madrid. "However, it is a serious charge."

He said that the United States would react "in an appropriate fashion" if the allegations were found to be true by the FBI probe.

(AP, Reuters, NYT)

ALLIES: Paris Is Odd Man Out at Madrid

Continued from Page 1

that this was an impossible request, which would both reward France for having left the command structure during the de Gaulle era and create an untenably complicated situation for the United States in relation to the fleet's deployment and its eventual use in the Middle East. There were very few countries within the alliance that saw this French condition as a reasonable one, he said.

But President Chirac and the Socialist government of Prime Minister Lionel Jospin seem to believe that the approach wins support at home and some kind of admiration from its European partners.

This time, though, the reaction appeared among Europeans to be one of irritation. At a moment when many of its partners wanted to see the summit meeting here as a victory over Europe's history of war, France was essentially motivated by a desire to show its discomfort with cooperation.

Germany stayed away from anything suggestive of endorsement of the French positions, and Spain was much more keen on emphasizing its readiness to take its place in the integrated command than stressing the details still to be ironed out before its actual entry.

El Mundo of Madrid, now one of the most influential newspapers in Spain, rated France, along with Russia, as the summit meeting's big loser Wednesday. In Germany, the Sueddeutsche Zeitung wrote that France had behaved like Pavlov's dog, learning nothing about the functioning of the alliance since its departure from the military structure in 1966.

In the same vein, the Frankfurter Allgemeine's defense correspondent, Karl Feldmeyer, reported that the French ambassador to NATO had called the alliance a "sick" organization and described the French attempt to trade a

return to the military for control of the Southern Command as "being understood by all the participants as basically having to do with strengthening of its own influence and the weakening of America's."

The determining element in setting France's future policy on NATO — President Bill Clinton has said the United States has no intention of handing away the Southern Command where the Sixth Fleet constitutes its greatest overseas asset — appears to be domestic politics.

Mr. Jospin came out against NATO reintegration as a matter of principle during the election campaign, and there seemed little likelihood that he would change his attitude at a time when he will want the support of the left to continue controls on deficit spending.

But there are pressures within France as well for movement toward the alliance.

Mr. Chirac's plan for cutting the size of the French armed forces, ending conscription and changing the military's primary mission to one of a rapid-reaction force appears to make very much less sense if it is not firmly linked to the NATO command.

The Americans want to encourage this perception. In trying to ease the French back into the command, they have the support of Germany, which is uncertain about the effect of France's plans on its own military planning but exceptionally pleased about Poland's candidacy for NATO membership.

Mr. Chirac and Mr. Clinton were described Tuesday by American aides as having left one another after a brief talk agreeing to continue discussing France's reintegration.

As Mr. Chirac explained it, NATO's success could be very much improved on, with France seeking "a new partnership, a real partnership" between Europeans and Americans.

So far, however, Mr. Daley has not laid out the kind of well-articulated trade agenda that characterized Mr. Clinton's first term, and some fear that the department is losing the sense of mission it briefly had.

In a recent article in Foreign Affairs magazine, Jeffrey Garten, the undersecretary of commerce for international trade during most of Mr. Clinton's first term, said the White House's enthusiasm for its old strategy waned after campaign-finance investigations "raised a host of questions about whether America's commercial diplomacy, particularly in Asia, was for sale."

Mr. Garten, now the dean of the Yale School of Management, wrote that the administration had "lost its laser-like focus on the importance of foreign markets to the United States."

Mr. Garten's deputy at the Commerce Department, David Rothkopf — now a



JOE FITCHETT
Political Correspondent

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INTERNATIONAL

Rwanda Admits It Led Drive to Topple Mobutu

By John Pomfret
Washington Post Service

KIGALI, Rwanda — This nation's powerful defense minister has acknowledged that Rwanda played a key role in the overthrow of President Mobutu Sese Seko of what was then Zaire, saying that the Rwandan government planned and directed the rebellion that toppled the longtime dictator and that Rwandan troops and officers led the rebel forces.



Paul Kagame, Rwandan minister of defense, said in an interview here that Rwandan forces participated in the capture of at least four cities — the Congolese capital, Kinshasa; the southern copper-mining town of Lubumbashi; the key western crossroads of Kenge; and the diamond center of Kisangani, which fell March 15 in 1996.

what was considered the key battle of the war.

He said that Rwandan "mid-level commanders" led rebel forces throughout the successful rebellion and that Rwanda provided training and arms for those forces even before the campaign to overthrow Marshal Mobutu began last October.

Mr. Kagame, 40, a major general who commanded the 1994 takeover of Rwanda by a rebel army, offered what he said were "secrets of the war" in Zaire, including the first public account by a senior Rwandan official of that country's involvement.

Several other African countries, including Uganda, Angola, Burundi and Zambia, are also known to have supported the rebel cause. But Mr. Kagame's account suggests that the war, which began in eastern Zaire near the borders of Rwanda and Uganda, was planned primarily by Rwanda, and that the plan to remove Marshal Mobutu originated in Kigali.

"There are not many people who thought that Mobutu was very weak," Mr. Kagame said with a smile. "They thought of Mobutu as a big monster who wouldn't be defeated, with his big hat and his big stick. They thought 'little Rwanda' and 'big Zaire.' Only when we started did they look at the map and see the possibilities."

The Rwandans' role in the rebellion has been controversial in Congo. The rebel leader Laurent Kabila, who proclaimed himself president in May and changed the country's name back to Congo, has maintained that his forces were assembled from among the country's many ethnic groups.

But the large number of ethnic Tutsi in the rebels' ranks — they account for a tiny percentage of Congo's population

but dominate the government and armies of Rwanda and Burundi — have led Mr. Kagame's critics to contend that Congo is being ruled by a Rwandan occupation force.

Mr. Kagame, a Tutsi, also responded to allegations that Tutsi officers of the Rwandan Army had ordered massacres of Rwandan Hutu refugees inside Congo.

The Hutu refugees fled to Zaire in 1994 after Mr. Kagame's Tutsi-led army seized power in Rwanda and ended a campaign of massacres of Tutsi by Hutu troops and militias that killed at least 500,000 people. Rwandan officers interviewed inside Congo said the Tutsi were given a free hand by the Zairian rebels to attack the Rwandan Hutu — many of whom were former soldiers and militia members who participated in Rwanda's 1994 genocide — in exchange for backing the war against Marshal Mobutu.

While not denying the possibility of individual atrocities, Mr. Kagame accused UN officials who have leveled mass charges against the Rwandan Army and the rebel forces of fallaciously trying to equate their behavior with the genocide that Hutu extremists carried out in Rwanda.

"It is my strong belief that the United Nations people are trying to deflect the blame for failures of their own making onto us," he said. "Their failure to act in eastern Zaire directly caused these problems, and when things blew up in their faces, they blamed us."

Mr. Kagame, who holds the titles of vice president and defense minister and is Rwanda's most powerful leader, said that months before war, he warned the United States that Rwanda would take military action against Marshal Mobutu's regime and the refugee camps

in eastern Zaire that were being used as bases by the Hutu fighters that Mr. Kagame had defeated. As many as 1.1 million Hutu were housed by late 1996 in camps in eastern Zaire.

Hutu militias used the camps as bases from which they attacked Rwanda, and Mr. Kagame said the Hutu had been buying weapons and preparing a full-scale invasion of Rwanda.

Mr. Kagame said he and other Rwandan officials attempted to persuade the United Nations and Western countries to demilitarize the refugee camps and separate the Hutu fighters from the real refugees. But, he said, "they were insensitive."

He added: "We told them clearly: Either you do something about the camps or you face the consequences."

While Mr. Kagame said he was unaware of any American military support for the rebellion, he commended the United States for "taking the right decisions to let it proceed."

Mr. Kagame, who studied at the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas, in 1990, has directed military campaigns before. In the 1994 war in Rwanda, he led a rebel force of 8,000-predominantly Rwandan Tutsi exiles who had been given sanctuary and training in Uganda — against a 30,000-strong, Hutu-dominated army trained and equipped by France and backed by tens of thousands of Hutu militiamen. General George Joulwan of the U.S. Army, the supreme commander of NATO forces, described Mr. Kagame as "a visionary," a perception shared by other Western military officers.

Mr. Kagame said the battle plan against the Hutu was simple. The first goal was to "dismantle the camps." The second was to "destroy the struc-

A Victim's Father Lectures 4 Killers In South Africa

Reuters

CAPE TOWN — The father of an American student who was murdered in 1993 by a mob in a South African township sought Wednesday to give her killers a moral lesson, urging them to turn the other cheek to apartheid's oppressors.

At a hearing to plead for amnesty before Archbishop Desmond Tutu's Truth and Reconciliation Commission, Peter Biehl and his wife, Linda, addressed the four young black men who murdered their daughter, Amy.

"They told their story to the children, they taught their sons to do the same," Mr. Biehl said, quoting a South African poem.

He explained at a news conference later that he had addressed the quote directly to the four killers, trying to look them in the eye. "I think we can all be instructed by that poem," he said, adding, "I wanted them to hear those words."

One of the four is a mentally retarded man, who threw the final rocks at Miss Biehl as she lay dying in Guguletu township outside Cape Town.

"I threw many stones at her head from a distance of approximately one meter," said Vusumzi Ntamo, who acknowledged being incapable of understanding political theory.



The Biehls on Wednesday.

Mr. Ntamo and the three others are trying to be released from their 18-year jail terms on grounds that the killing was a political act aimed at bringing down the white government.

At the time of the murder, the apartheid regime was in the final stages of negotiating itself out of power.

Mr. and Mrs. Biehl told the commission that his daughter had been a bright, active child who had come to South Africa as a Fulbright scholar to help black people deal with the horrors of apartheid.

Mr. Biehl said he and his wife would not oppose the applications for amnesty.



Vaclav Havel of the Czech Republic in Madrid.

U.S. Calls Cited

tioning from the communist counsel, Michael Sullivan said he had been the party's top lawyer during the law firm's donations and had been Mr. Huang received such

cerned that John knew the

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of U.S. operations for the ased Lippo Group financial Huang was appointed by linton in 1994 to be a t- tant secretary at the Com



John Huang, former U.S. ambassador to the Philippines, being sworn in.

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Mr. Huang left the depart- come the Democratic Party's solicitor in the Asian-Amer- unity, a job that ultimately n and the party in comm

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Washington Quietly Tries to Mend Ties With Iran

By Robin Wright
Los Angeles Times

WASHINGTON — In its most serious attempt in a decade to engage Iran in dialogue, the U.S. government has quietly signaled through diplomatic channels that it seeks to improve the volatile relationship between Tehran and Washington.

"We would like to end the estrangement," a senior White House official said. "And we are now looking for ways to accomplish that goal."

The United States wants to take advantage of a political shift inside Iran, symbolized by a presidential election upset in May in which a relative moderate won office, and to do so soon enough to prevent a potential confrontation if the Islamic republic is eventually tied to last year's bombing of a military complex in Saudi Arabia that killed 19 U.S. Air Force members.

Paradoxically, Saudi Arabia — which made the strongest case about Iran's role in the bombing — has been a central intermediary in relaying the U.S. message to Iran, the official said. A senior member of the Saudi Council of Ministers, Abdul Aziz Abdullah Khawateer, outlined U.S. terms for eventual

rapprochement during a visit to Tehran last week.

The U.S. official declined to elaborate on those terms.

U.S. officials are looking to Iran for a major step away from its sponsorship of international terrorism, the official said. As an early sign of Iranian intent, Washington will watch President-elect Mohammed Khatami's cabinet appointments, which are expected before he takes office Aug. 3.

The United States is particularly interested in the ministries of intelligence and interior, the two posts that have been linked with promoting extremism. Intelligence Minister Ali Fallahian has been linked in a German court to Iranian-backed plots to assassinate dissidents abroad. His departure is considered essential to improved relations.

"Iran has proven in recent years that it is capable of changing its behavior in ways we could deal with it," the official said.

For example, the official said, Iran "has a working relationship with the Russians despite strong ideological differences." Iran and Russia have worked out a deal in which Iran does not meddle in the Muslim republics of the former Soviet Union, while Moscow helps re-

stock Iran's arsenal, depleted by 40 per-

cent in its 1980-88 war with Iraq. If relations with the United States improved enough that the administration ended its policy of economic isolation, Iran could, among other things, gain access to badly needed Western technology and equipment for its out-

'We would like to end the estrangement. And we are now looking for ways to accomplish that goal.'

dated oil industry.

But senior administration officials fear that before the new Iranian government has a chance to respond to U.S. overtures, the Saudi bombing investigation could develop conclusive evidence pointing to Iranian involvement.

Mr. Khatami will need time to consolidate his hold on power in a faction-riddled political environment before he can take any bold steps to improve relations with the United States.

"We would love to see Iran take action that shows response to our con-

cerns," the senior official said, adding that it should do something before momentum takes over on Capitol Hill "or among other quarters that would make it difficult to argue the case for dealing with Iran again any time soon."

A possible source of such evidence is a Saudi dissident being held in the United States: Hani Abdel Rahim Sayegh, who may have been a driver and lookout in the attack, according to information provided the United States primarily by Saudi officials.

Mr. Sayegh was deported last month from Canada to Washington and is scheduled to appear in court Thursday. It is uncertain whether he will stick to his original agreement with U.S. investigators, in which he would provide information about the Saudi attack in exchange for being allowed to plead guilty to a lesser charge.

The U.S. government first signaled its decision to push the issue of rapprochement with Iran shortly after Mr. Khatami's surprise landslide victory May 23, which Mr. Clinton called a "very interesting" development and "a reaffirmation of the democratic process there."

Mr. Khawateer's visit to Iran last week was intended to bolster relations be-



Ukrainian-built tanks rolling through the central Iranian town of Doroud. Russia has agreed to rearm Tehran if it leaves former Soviet republics be-

tween the Saudi Arabia and Iran, which have been tense since Iran's monarchy was ousted in 1979. Ties were severed by 1991.

Mr. Khawateer's talks with senior Iranian officials included the current president, Hashemi Rafsanjani, and were followed by the signing of several economic accords that effectively re-establish trade ties.

Both Saudi Arabia and Israel, two countries usually at opposite poles on regional tensions, have urged Wash-

ington not to retaliate against Tehran if evidence proves that Iran had a direct hand in the attack at Khobar Towers, Americans familiar with the issue say. Prime Minister Benjamin Netanyahu of Israel has made the case personally with the administration, they add.

Although Israel considers Iran a major threat to its stability in the region, Israeli officials oppose a U.S. military response at least partly out of fear that their country could be the target of Iranian retaliation.

BRIEFLY

Forces Are 'Stalked' In Gulf, U.S. Says

WASHINGTON — U.S. forces in the Gulf are being "stalked" by terrorists and — a year after 19 American airmen were killed in a truck bombing — another attack is likely, a top general said Wednesday.

But Lieutenant General Anthony Zinni of the Marine Corps, President Bill Clinton's choice to be the new military chief in the Gulf, said the United States has taken steps to protect the troops adequately. The thousands of U.S. troops stationed in Saudi Arabia and Kuwait are under constant surveillance by individuals and groups believed to be linked to terrorists, General Zinni said. (AP)

Israel Gets Cabinet

JERUSALEM — Parliament on Wednesday approved Prime Minister Benjamin Netanyahu's new cabinet appointments, ending three weeks of wrangling over jobs that had threatened the stability of the government.

Mr. Netanyahu said after the 52-to-46 vote in favor of his choices for new finance and science ministers that he felt the political crisis was behind him and that he could now focus on resuming the peace negotiations with the Palestinians. Yashov Neeman has the finance portfolio and Michael Eitan the science one. (AP)

Riots in Managua

MANAGUA — More than 100 people have been hurt in violent clashes between students and riot police outside Central American University, a government official said Tuesday.

Deputy Interior Minister Miguel Campos Mercenario, in charge of domestic security, said 48 of those injured in the clashes were policemen. He said an additional 148 people, who were not students, were arrested and are being charged with disorderly conduct. Most of the demonstrators were sympathizers of the leftist Sandinista National Liberation Front. (AP)

White House Casts Doubt on Tobacco Deal

By Peter Baker
and John Schwartz
Washington Post Service

WASHINGTON — The White House has rejected a critical element of the proposed \$36.5 billion settlement with the tobacco industry because it would impose broad new restrictions on federal authority to regulate nicotine in cigarettes, according to senior officials.

In their first direct involvement to devise a settlement, advisers to President Bill Clinton plan to rewrite the proposal themselves after concluding that it surrenders too much of the Food and Drug Administration's ability to control the addictiveness of cigarettes. Such limits, they said, would roll back their campaign to assert jurisdiction over tobacco.

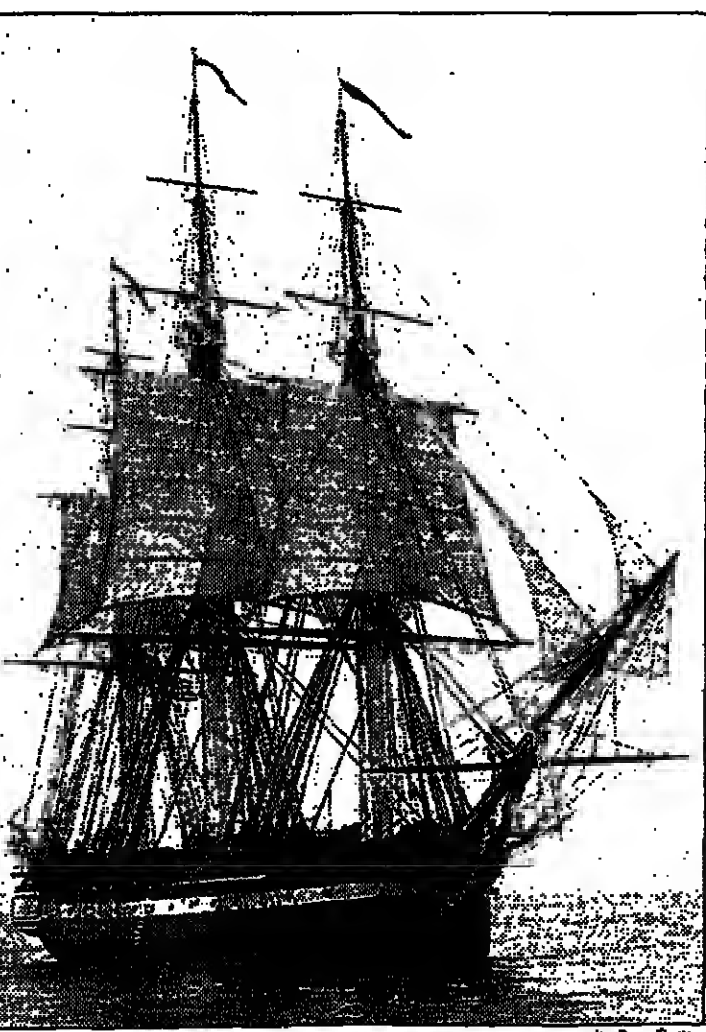
"They're unacceptable," said an administration official who spoke on condition of anonymity. "The way it's written, it actually slides back on what we've already won."

That conclusion did not come as a complete surprise, given the public reservations Mr. Clinton had expressed about the Food and Drug Administration's limits since the plan was unveiled last month. But it reflects a calculated gamble by Mr. Clinton that the political momentum is running his way and he can afford to risk reopening the delicately balanced deal because the industry has little room to maneuver.

According to aides, Mr. Clinton is willing to walk away from the settlement if it cannot be amended.

The proposed settlement would resolve scores of lawsuits against the tobacco industry by state governments and individual smokers seeking reimbursement for medical expenses caused by smoking. An accord was reached after months of difficult negotiations between industry representatives and a group of state attorneys general and trial lawyers, but any deal will require the approval of Mr. Clinton and Congress, which will have to translate it into legislation.

At a White House meeting with a top presidential adviser last week, tobacco lawyers exhibited little appetite for more concessions, but they did not rule them out.



AT SEA AGAIN — The U.S.S. Constitution, known as Old Ironsides, being towed into the Atlantic for the first time in 116 years to prepare for the celebration of its 200th anniversary.

Yale Refuses Bequest for Gay Studies

New York Times Service

NEW YORK — Larry Kramer relishes a good fight. He helped found the Gay Men's Health Crisis in 1981, only to split with it later when he found it too timid for his taste. Then he started the group ACT UP to press politicians and pharmaceutical companies to respond more forcefully to AIDS.

But recently, Mr. Kramer, 62, the writer who has the virus that causes acquired immune deficiency syndrome, seized on a way to get the last word in against his

antagonists: He would bequeath Yale University, his alma mater, several million dollars to endow a permanent, tenured professorship in gay studies and possibly to build a gay student center.

Yale will have none of it. It has declined Mr. Kramer's offer, at least on his terms, and in a letter from the provost, Alison Richard, expressed the hope that he would consider other ways of directing his generosity, "thereby benefiting gay studies and, perhaps, other endeavors here at Yale."

American Wins Bid For Chile Sanctuary

By Anthony Faiola
Washington Post Service

SANTIAGO — A millionaire American conservationist has won agreement from the Chilean government to help him establish a nature sanctuary on a vast stretch of pristine land he has spent years acquiring in southern Chile.

Douglas Tompkins, creator of the Esprit clothing empire, faced pressure from the Chilean military and conservative business interests here who believed that his land holdings — which essentially cut this long, narrow country in half — were too vast and strategically important to be in the hands of a foreigner. They also accused him of attempting to stymie economic development.

But the government, after investigating the millionaire's motives, reached an agreement with Mr. Tompkins on Tuesday. He will turn over his land to a private trust, and in return he will receive support from President Eduardo Frei for the safeguarding of the land from development interests. He will also obtain protection against pressure from conservatives who have been trying to thwart his plans.

The aim now is to turn the land into a preserve that will become a showcase of the diversity of Chile's ecology.

"The government finally recognized that Mr. Tompkins was only interested in creating a conservation area — and that he had no other motives," said Sara Larrain, national coordinator of Renaca, a network of environmental groups here.

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OPINION/LETTERS

For East Bloc Women, A Dearth of Democracy

By Swanee Hunt

VIENNA — For millions of women in post-Communist Europe, the complexion of life has evolved from rose-colored to raw. The result is not simply hardship or gender inequity. The greatest cost is in regional stability. The new democracies need the economic energy, solid values, political innovation and social cohesion that women bring to positions of leadership.

Clearly, life under communism did not measure up to the claims of equal treatment for all comrades, but the ideal itself had some meaning. In the transition to capitalism, along with new freedoms has come rampant and blatant economic discrimination against women.

In Russia, women's wages slipped from 70 percent of men's wages in 1989 to 40 percent in 1995. Ukrainian women represent 70 percent of the unemployed, and in Belarus professional women search for a job three times longer than their male counterparts.

Moreover, as crime has increased dramatically in the no-holds-barred environment of Central and Eastern Europe, life for women has become more dangerous. Trafficking in women, increasing exponentially, is leaving behind ravaged bodies and spirits.

Olga was a shipyard clerk in Poland, laid off during the economic downturn. She was waiting tables when a recruiter signed her up to come to Germany, promising to double her income for the same work. At the border, she handed over her passport. Her escort then photographed her being raped by his cronies and threatened to send the pictures to her mother. With no passport and with overwhelming shame, her life on the streets began.

Since the Iron Curtain was lifted, the number of such incidents has soared. By 1993, there were an estimated 8,000 Polish prostitutes in Frankfurt alone. There is an ugly cohesion to these scenarios. After all, why should we expect women to be running corporations within an economic system that treats women as a commodity?

Meanwhile, in the midst of these economic and legal calamities, where is the political leadership?

At half strength and solidly male. In a startling irony, the proportion of women in the political system has plummeted with the advent of democracy.

In the rubber-stamp Communist Parliaments, women were at least visible, their positions guaranteed by quotas. Today, the pretense of representation has been replaced by exclusion.

From 1987 to 1994, the percentage of female representatives in Parliaments dropped from 28 percent to 6 percent in Albania, from 34 percent to 4 percent in Romania and from 21 percent to 11 percent in Hungary. Simultaneously, the percentage of women in top ministerial posts plummeted.

Against this gloomy backdrop, a remarkably hopeful group of 300 female leaders from East and West are convening in Vienna this week. They will lay out strategies to jump-start women's economic recovery, to protect women's rights and to increase their political representation. Delegations from 19 post-Communist states will adopt country-specific plans.

Why this focus on women? First, because full democracy requires the full participation of women. But so does a cohesive, integrated society. When women have a strong role, the society benefits as a whole.

In my four years in Central Europe, no moment has been more moving than my meeting with the women who survived the Srebrenica massacre in July 1995. A year later, as refugees in the Bosnian town of Tuzla, they were planning a commemoration for the 8,000 unarmed boys and men killed by Bosnian Serb forces.

After listening to hours of weeping and accounts of atrocities, I asked these Muslim victims if they could invite to the commemoration the Serb women in nearby cities who were also searching for missing brothers, sons, husbands and fathers. The women nodded, then added simply, "We are all mothers."

If we're smart, those are the voices we'll magnify.

The writer is the U.S. ambassador to Austria. She contributed this column to the International Herald Tribune.



LETTERS TO THE EDITOR

Wary of Free Trade

Regarding "Free Trade Doesn't Create More Jobs, It Creates Better Jobs" (Opinion, July 2) by James K. Glassman:

The title of Mr. Glassman's article says it all. This is wonderful if there is the same number of better jobs. But if there are fewer better jobs, this necessarily implies the disaster of unemployment for some.

Many remedies have been proposed for a situation in which the same amount of goods and services is produced with less work. These might involve reducing the workweek or other means of sharing fewer jobs. Or an increasingly automated and prosperous society might just agree to support non-working people.

We seem, however, to be a long way from adopting any of these alternatives. Until that happens, it is natural for people to be suspicious of increases in efficiency, and therefore also of free trade.

LAURETTE TUCKERMAN, Paris.

Indians Stereotyped

A recent American Topics column ("Indians in California Search for Official Recognition," July 3) described Native Americans' search for a sense of integrity and cultural identity.

A headline on a baseball story three days earlier showed the stereotypes they must struggle against: "Indians Club 19 Hits in Scolding of Yanks" (June 30).

PAUL SKORPEN, Munich.

Munich Conference

Regarding "Guilt and Ennui, Not Strategy, Prompt Enlargement" (Opinion, July 7) by Jim Hoagland:

Mr. Hoagland said that Czechoslovakia, Poland and Hungary were "wronged by the Europeans at Munich." In fact, Czechoslovakia was the only country wronged in the Munich Conference of 1938.

Poland and Hungary were involved, not as victims but as fel-

low claimants of Czech territory. Shortly after the Munich agreement, they were allowed by the Western powers to seize parts of Czechoslovakia — the Teschen district was ceded to Poland and parts of Slovakia went to Hungary. Poland, of course, was Hitler's next victim, but Hungary was allied with Nazi Germany from 1941 to 1944.

CHRIS PETROW, Neuilly-sur-Seine, France.

Cigarettes and Children

Surely too much has been made of the role of advertising in glamorizing smoking for young people. Anyone who ever traveled in the former Soviet Union can recall having never seen a billboard for cigarettes — or a nonsmoker.

If anything has been responsible for making smoking seem glamorous to children, it is the fact that it is forbidden to them.

MICHAEL KALK, Austin, Texas.

How Libya's Jews Met A Little-Noticed End

By David A. Harris

NEW YORK — Thirty years ago this summer, the world was transfixed by the war raging between Israel and its Arab neighbors. But days after that, fighting erupted hundreds of miles away, beyond the gaze of the international news media, as another campaign was ruthlessly being waged: to drive an already diminished Jewish community from its historic home in Libya.

For Libya's 4,000 Jews, the remnants of a community that had numbered nearly 40,000, it was the third and final pogrom since 1945 and the end of a rich, complicated and little-heralded history.

Jews lived continuously in Libya for more than two millennia. Settled in Cyrene — eastern Libya today — by the Egyptian ruler Ptolemy I in the third century B.C., they predated the Muslim conquest in 642 A.D. by more than 900 years. Over time, the community was augmented by Berbers who converted to Judaism, Jews fleeing the 15th- and 16th-century Spanish and Portuguese inquisitions and, from the 17th century, Jews resettling from Italy. By 1911, the year Ottoman rule over Libya ended and Italian control began, the Jewish population numbered 20,000. It nearly doubled by 1945.

The end of World War II saw Libya under British rule. The vast majority of Libya's Jews had survived, despite the conscription of several thousand into forced labor camps under Italian Fascist control and the deportation of a much smaller number to Nazi concentration camps. Until this point, it should be noted, Muslim-Jewish relations in Libya were cordial.

Beginning in 1945, however, the Arab League's pan-Islamic and anti-Zionist propaganda fanned the flames of hatred in Libya, resulting in extended rioting against Jewish neighbors. The toll included 130 dead and nine synagogues destroyed.

A second pogrom followed three years later, sparked by Libyan nationalists eager for independence from the British. A quick British response and Jewish self-defense limited the damage. Still, 15 Jews were killed and hundreds were left homeless.

MICHAEL KALK, Austin, Texas.

The new atmosphere of fear and insecurity on the one hand, coupled with the powerful attraction of the new state of Israel for this deeply religious community on the other, led to the emigration of all but 6,000 Jews by December 1951, the year Libya gained independence.

Notwithstanding constitutional guarantees provided by the new Libyan nation, restrictions on Jews were gradually imposed. By 1961, Jews could not vote, hold public office, serve in the army, get passports, purchase new property, acquire majority ownership in any new business or supervise their own communal affairs. Yet the Jews remained.

Then, in June 1967, war broke out in the Middle East. Inspired by Nasser's pan-Arab appeals, Libyans took to the streets and attacked the Jewish community.

By the time calm was restored, 18 Jews in Tripoli, the country's capital, were dead. The toll might have risen had it not been for the courage of Cesare Pasquini, Italy's ambassador to Libya, who ordered all Italian diplomatic missions in the country to extend their protection to the Jews. A few Muslims helped as well, including one who at great risk hid the teenager who was to become my wife, along with her parents and seven siblings, for two weeks until they were able to leave the country.

Within a matter of weeks, all the remaining Jews of Libya fled abroad, urged to do so "temporarily" by the government. Each was permitted one suitcase and the equivalent of \$50. Most headed for Israel; 2,000 went to Italy.

To no one's surprise, this temporary exodus became permanent. Colonel Muammar Gadhafi seized power in 1969 and the following year announced a series of laws to confiscate the assets of Libya's Jews, issuing bonds providing for "fair compensation" within 15 years. But 1985 came and went with no compensation paid.

And so, with only a few scattered international protests, scant press attention and silence from the United Nations, another once-thriving Jewish community in the Arab world came to an end.

The writer, executive director of the American Jewish Committee, contributed this column to the International Herald Tribune.

ppetite

expansion is uncertain. Senator Joseph Biden, who favors expansion, noted that Congress cannot be sure to support U.S. troops in NATO and Europe.

consistent with the consent to pay for the UN and other agencies, and its predicament to legislate foreign aid, as in the case of the European Community's Boeing McDonnell Douglas, which seems likely to be a reaction to the threat of a while Europe remains a constant in foreign policy matters.

a contradiction in the administration's position that it is not to admit its ambition to deep roots in Congress or opinion. The threat to lies at home, not abroad, is a hubris.

International Herald Tribune, Los Angeles Times Syndicate

merica

United States and Canada will European democratic nations should work for the new that some Russophiles see a revocation is plain prevention, and prevention pays.

Does enlarging the NATO job get us Americans in European affairs more deeply? And we'll be denounced "hegemonists" for our marauding presence. Charles de Gaulle may have said "France cannot be Europe without greatness," but Europe can no longer be Europe without America — as evidenced by the lifting of European and U.S. leaders in the Balkans until the United States exerted military muscle through NATO.

President Clinton kept his word with the Baltic nations by going those vulnerable nations mentioned in NATO's declaration as aspirants for membership in 1999, as other nations pushed for Romania and Slovakia.

(Or Slovakia, whichever, The New York Times)

ion Course

76 percent of the voters turned out. Just after the Hong Kong handover, a poll showed that a large majority of Taiwan preferred independence over continued separation from mainland China.

Moreover, Taiwan's rising middle class is expanding a degree of affluence that not want put at risk by the mainland. Per capita income is about \$12,500 dollars, compared with \$2,900 in mainland China. Almost all home in Taiwan has a television, refrigerator, telephone.

Perhaps most important, swelling sense of nationalism among the people of Taiwan, including those who have fled the mainland and joined forces of Chiang Kai-shek's government in 1949. In the poll taken early July, more than half of respondents identified themselves as Taiwanese, while a third said they thought themselves as Chinese.

The writer, formerly with New York Times as a foreign correspondent, is also a military correspondent, Washington, contributed a comment to the International Herald Tribune.

5 AND 50 YEARS

amous in this view. The color of the mark, in spite of Reichsbank's flooding of the market with foreign currency, an effort to stabilize the exchange, has been the price of the sinking of the ship for reparations payments.

1947: Disk Identified

CHICAGO — The Army Forces whipped up a excitement with the announcement that one of the "flying saucers" had been found in New Mexico — a high-altitude weather device. Irving Newlin, at Fort Hays, Base, examined the flying saucer. He identified it as a high-altitude weather device. He said that four of the devices released each day by the weather station in the area.

BOOKS

LE TON BEAU DE MAROT:

In Praise of the Music of Language

By Douglas R. Hofstadter. 632 pages.

\$30. Basic Books.

Reviewed by Michael Dirda

EIGHTEEN years ago Douglas R. Hofstadter brought out "Godel, Escher, Bach," a razzle-dazzle study of pattern in music, art and mathematics composed with a whiz kid's sass and the genial playfulness of a Lewis Carroll. Subtitled "an eternal golden braid," it noted the initials — "Godel, Escher, Bach" — went on to become a modest best-seller, won a Pulitzer Prize and, not least, developed a cult following: People didn't just read the book; they methodically annotated its pages, tried to fathom the mathematical and musical examples, marveled at Hofstadter's ingenuity (one dialogue between a tortoise and Achilles could be read backward and forward, making sense in either direction), and secretly or publicly envied an intelligence at home with Chopin, Euclid, Bongard problems, artificial intelligence research, number and music theory, and assorted matters of epistemology.

Hofstadter might have easily become a public intellectual, cognitive science's answer to Carl Sagan, but instead he bunkered down at Indiana University (with a brief sojourn at the University of Michigan) and devoted himself to long-term research on artificial intelligence. Over the years his admirers had to be content with a volume on creativity, "The Mind's Eye," co-edited with Daniel C. Dennett, and a compilation of witty epigrams from Scientific American, "Metamagical Themas." But now, just past 50, Douglas Hofstadter has triumphantly returned with a companion volume to his youthful masterpiece, an inquiry into the nature of language and

translation, an exhilarating blend of autobiography, analysis, wordplay, and elegy. "Le Ton Beau de Marot: In Praise of the Music of Language" is a source of myriad delights — and occasional, minor annoyances.

At the heart of the book beats a short lyric written for a sick young girl by the French poet Clement Marot (c. 1500-c.1575). Titled "A Une Damoyelle Malade," the poem consists of 28 lines, of three syllables each, in rhyming couplets. One might translate its beginning this way: "My sweet dear, I send cheer / All the best! / Your forced rest / Is like jail! / So don't ail! / Very long, / Just get strong." Or, then again, one might get for a more modern tone: "Hi Toots! / Get well! / Hospital's prison! / And prison's hell! / Get well! / Some readers might prefer a witty, avian approach: "Chickadee! / I decree! / A fine day! / Dart away! / From your cage! / And engage! / In brave flight! / So you might! / Flee the coop!" These English versions — by Hofstadter, his mother, and his wife — are only three out of the dozens reprinted in this substantial volume, every one accompanied by a shrewd microanalysis of its linguistic successes and failures. In themselves these translations and commentaries address most of the practical problems of poetic re-creation and recreation. A college course could be built around them.

BUT translations alone don't make a book that's fun to read. Most of "Le Ton Beau" consists of apparently rambling (but actually carefully planned) essays on seemingly anything that Douglas Hofstadter feels will illuminate the nature of language. He compares various English versions of Pushkin's "Eugene Onegin," Dante's "Inferno" and a Basho haiku. He discusses the false dream of machine translation and the real possibility that computers may

attain artificial intelligence. He describes a variant of chess called chesh and suggests a Gnostic-like theory for the individual soul's survival after death. He imagines a grammar of jokes, analyzes the differing appeals of various typefaces, and mulls over the unacknowledged conventions of the German word for nipple, Brustwarze (breast wart). With surprising vehemence he attacks the common use of the word "guys" to include women. For a moment he even wonders how the word "jazzercise" might be rendered in Arabic.

A few sections of "Le Ton Beau de Marot" may prove hard slogging, but in general the book is far more accessible than its famous predecessor. Hofstadter's voice on the page is chatty, energetic and slangy: "Picture Holden Caulfield all grown up, now a university professor, writing a book about translation." This strategy is a good one, for it compels Hofstadter to keep even the most abstruse matters plain and jargon-free. In this same spirit, much is openly autobiographical, often touchingly so. Hofstadter's wife, Carol, died suddenly a few years ago at a very young age, and so "Le Ton Beau de Marot" — Marot's graceful tone — slowly modulates into "Le Tombeau de Ma Rose" — the gravestone of my rose. It isn't often that a major work of scholarship is also a love story.

Michael Dirda is a writer and editor for The Washington Post Book World.

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BRIDGE

By Alan Truscott

As a result of playoffs in Hyannis, Massachusetts, recently, two strong American women's teams will be battling the rest of the world and each other in the World Championships in Tunisia in October. One team — Marina Letizia, Lisa Berkowitz, Tobin Sokolow, Mildred Broad, Randy Martin and Jill Meyers — has plenty of national experience but relatively little at world level. Meyers is the only one in the group with a world title.

Sanborn, all of whom have won at least two world titles. On the diagramed deal Sanborn as West had to defend skillfully against three no-trump, which her partner had doubled imaginatively on the strength of her heart holding. The opening club lead was

won with the jack, and South led a low diamond. West won with the jack and could not afford to lead another club. Instead she shifted to a low spade, and dummy won with the queen. South ran her diamonds, reaching the ending shown at left.

The big question now was whether South would score a second club trick. South led the spade nine, and Sanborn carefully played the jack. South was now helpless. If she had played low from dummy, West would have cashed the spade ace and played a fourth round. South won with the king and led another spade, but East produced the ten and led a club to give the defense five tricks. In the replay North-South did well to stop in three

beats, making 140, and Sanborn's team gained 6 imps when they were in danger of losing 9.

NORTH (O)
AKQ64
AJ10872
104
4

WEST
AJ73
1052
QJ6
AKQ6765

EAST
AKQ643
872
93

SOUTH
1052
AKQ53
AKJ102

Neither side was vulnerable. The bidding:
North East South West
1♣ Pass 1NT 2♣
2♦ Pass 2NT Pass
3NT Dbl Pass Pass

West led the club seven.

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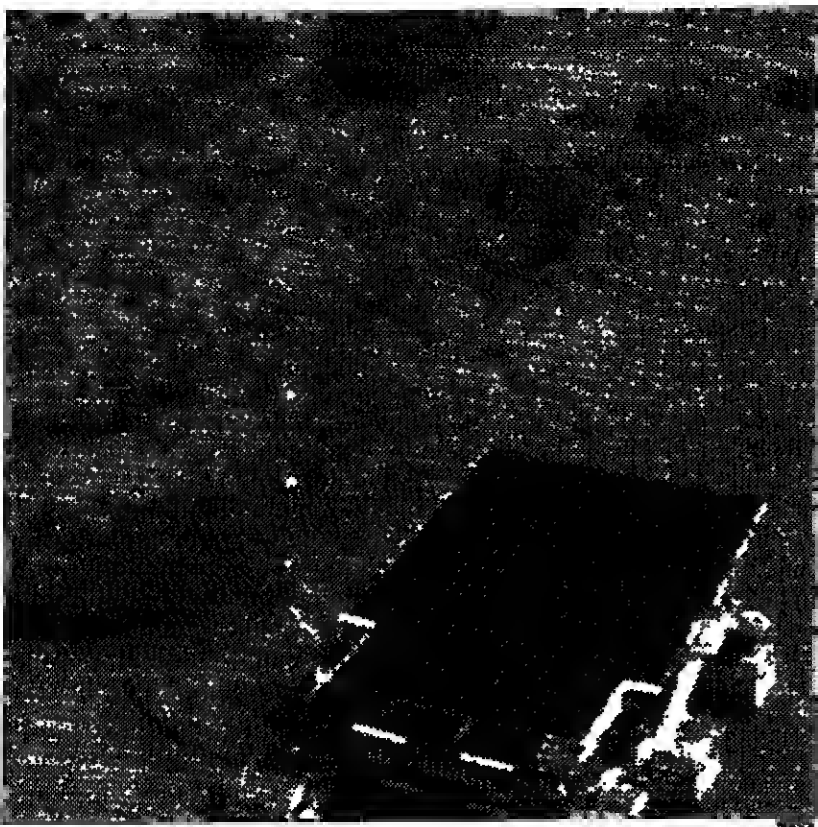
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HEALTH/SCIENCE

Sojourner Finds Surprising Mars-Earth Resemblance



Sojourner turns to another rock after analyzing "Barnacle Bill."

By Kathy Sawyer
Washington Post Service

WASHINGTON — The first chemical analysis of a rock on the Martian surface has produced surprising evidence that the evolution of the Red Planet was much more like Earth's than researchers had suspected.

The analysis by the Sojourner rover shows that the rock, known as "Barnacle Bill," appears to be unexpectedly Earth-like, containing about one-third quartz — a substance never before found in any extraterrestrial object. Quartz requires repeated heating, melting and crystallizing by processes deep inside the planet, scientists said, processes more complex than those detected before on Mars.

"It requires heat sources that last a long time," said Harry McSweeney of the University of Tennessee during a briefing at NASA's Jet Propulsion Laboratory on the latest scientific information from the rover's mission. "So a much more complex geologic history is implied by the presence of quartz."

While the cooking-cooling cycle is fairly well understood on Earth, he said, "On Mars, we're going to have to struggle with what the heat sources could be, I suppose." Scientists had assumed Earth to be unusual in its ability to manufacture quartz, Mr. McSweeney said.

Mars was already characterized as more Earth-like than any known world, but that still left vast differences between the planets. One was the absence of Mars of the constant recycling of the surface that occurs on Earth — a kind of recurring face-lift accomplished by the movement of giant crustal plates. In this process, magma, or molten rock, is heated, melted and cooled, over and over, enabling some of the material to crystallize into quartz.

The face of Mars, lacking this re-creating process, is believed to show remnants of all its phases — from 4.5 billion years ago to the present. Scientists are not sure what kind of interior processes are at work below the Martian surface, so how it manages to make quartz is a fresh mystery. And yet, "it now appears that Mars, too, has a crust that can crystallize quartz," McSweeney said. The key to understanding may be in the texture of the rock, which has not been imaged in much detail yet, he said. The quartz resembles that found in beach sand.

The preliminary findings came from the rover Sojourner's 10-hour encounter with Barnacle Bill, conducted Sunday night using the Alpha Proton X-ray Spectrometer, a device that determines the composition of rocks by how subatomic particles bounce off of them.

"I didn't expect this," Mr. McSweeney said of the quartz finding. "This site really is a rock festival." The analysis also provided confirming evidence for the Martian origins of the

dozen or so meteorites found on Earth and classified as having traveled from Mars, scientists said. Until now, that assumption was based on comparisons with analyses of the Martian atmosphere by the 1970s Viking spacecraft.

Among that batch of Martian meteorites is the one named Allan Hills 84001, in which scientists have reported signs of possible ancient microbial life. "If you mixed Allan Hills 84001 with some granite, it could be a lot like this," Mr. McSweeney said, referring to Barnacle Bill. None of the meteorites ever found contain quartz, he said.

Barnacle Bill, which may have been washed down from the ancient Martian highlands, contains an estimated 58 percent silicates, which implies it is one-third quartz, according to an estimate by Rudolph Rieder of Germany's Max Planck Institute for Chemistry, chief scientist for the rover's X-ray probe. The rock is also one-third feldspar (the most common mineral in Earth's crust) and one-third orthopyroxene, also common.

There are three components of this puzzle, scientists said. The team has the chemical analysis, and it has images of the rock. The missing link is the mineral stage in between the two. To find the mineral composition, the team used a conversion table that "converts chemistry to mineralogy," Mr. McSweeney

said. The combination found in Barnacle Bill is consistent with andesite, Dr. Rieder said, a kind of volcanic rock named for the Andes Mountains where it is found. The scientists said they had assumed Barnacle Bill would be basalt, more common kind of volcanic rock that makes up the sea floor and shield volcanoes such as those in the Hawaiian Islands. Andesite is much richer in silica than basalt.

Barnacle Bill "looks a little bit like Swiss cheese," Mr. McSweeney said. The holes appear to be formed by gas bubbles, which is typical in lava, he said. But they could be particles of granite mixed with basalt and carried downstream together and compacted into a rock. Or the ingredients could have been mixed in the impact of an asteroid on ancient Mars. In other words, he said, it was not clear what kind of process formed the rock.

Nicholas Thomas of the Max Planck Institute for Astronomy reported that the Imager for Mars Pathfinder (IMP) camera was now being used as a telescope, as well as a general purpose camera.

He revealed the first image of the moon Deimos 14,000 miles (22,500 kilometers) overhead and said the team will eventually try to produce images of Earth twinkling in the Martian heavens. He said the dust that fills the atmosphere apparently provides "spectacular sunsets," as revealed by IMP.

Diet Drug Users Are Cautioned About Risk of Heart-Valve Disease

By David Brown
Washington Post Service

WASHINGTON — Two weight-loss drugs on the market for more than 20 million times a year in the United States may cause a rare, severe form of heart-valve disease, a group of doctors has reported.

Twenty-four women taking fenfluramine and phentermine, a combination known commonly as "fen/phen," have developed symptoms, and five have required open-heart surgery to repair damage to one or more of their four heart valves, the physicians announced at a news conference at the Mayo Clinic, in Rochester, Minnesota.

There is strong circumstantial evidence, but not proof, that the two drugs are playing an active role in the development of the heart disease. The report is sufficiently worrisome that the Food and Drug Administration plans to contact thousands of doctors by mail to inform them of the possible problems

from the two appetite suppressants and to ask them if they have seen cases of valve disease in people taking them.

"This is a very unusual abnormality that is being detected," said Michael Friedman, acting commissioner of the FDA. "This information is clearly important enough that we want physicians and patients to be aware of it."

The two critical questions now are whether there is a cause-and-effect relationship between the drugs and the disease, and if there is, how often this side effect of treatment occurs, he said.

The drugs are available only by prescription. There are no immediate plans to add warnings to the drugs' labels or to withdraw them from the market. The last time the agency withdrew a drug was in 1992, when it stopped sales of an antibiotic that caused kidney failure in a small number of patients.

"We have preserved all kinds of options. It is premature to determine a course of action until we have gotten the necessary information," he said. Wyeth-Ayerst Laboratories of Phil-

adelphia, which sells fenfluramine under the trade name Pondimin, pointed out that the study could not rule out the possibility that there may be other causes of the women's heart problems. Therefore, the company said, it "is working with Mayo Clinic to develop a rigorous, prospective study which will provide clinical data to properly examine this issue."

Drugs to treat obesity are among the U.S. pharmaceutical industry's hottest growth sectors. Last year their sales increased 217 percent, the fifth-biggest rise of any category of drug, according to IMS America, the leading provider of sales and marketing data to the pharmaceutical industry.

NEITHER of the drugs implicated in the announcement is new. Phentermine was approved for sale in 1959, and fenfluramine in 1973. In the past, they were often used separately to curb appetite, but a study published in 1984 showed they could achieve the

same weight-loss results, with fewer side effects, if they were used together at lower doses.

Although they are neither approved for combination use nor labeled for use for more than a few months in a row, the two drugs today are mostly prescribed together and often for long periods. (Many drugs, for many diseases, are similarly prescribed in an "off-label" way.)

The announcement was made by physicians from the Mayo Clinic and MeritCare Medical Center, a complex of hospitals in eastern North Dakota. Their report will appear in the New England Journal of Medicine at the end of August. However, in the interest of public health, the journal agreed to let the researchers announce the findings beforehand, something it does once a year or less.

The announcement did not involve dexfenfluramine, an anti-obesity drug sold under the name Redux. Approved for sale in April 1996, it is nearly four times more popular than the fen/phen combination. Redux has been linked to the rare development of an often fatal

condition called primary pulmonary hypertension, especially when a person takes it for more than three months. Redux is chemically closely related to fenfluramine, the "fen" of the fen/phen combination.

The fen/phen combination suppresses appetite by increasing the hormone-like substance serotonin and, to a lesser extent, several other compounds that convey signals between nerve cells. The substances have myriad effects on other organs, as well.

In the five people whose heart problems were so severe they needed surgery, the diseased valves bore a shiny, fibrous coating that is characteristic of a condition called carcinoid syndrome, in which a tumor produces a flood of serotonin in the bloodstream.

Normally, however, people with carcinoid have dramatic symptoms (such as facial flushing, nausea and diarrhea) long before they develop the valve disease. Those symptoms were lacking in the patients described at the news conference, said Michael D. McGoon, a Mayo Clinic cardiologist who is one of the authors of the forthcoming journal paper.

The Mayo and MeritCare patients came to the attention of doctors because they developed symptoms of congestive heart failure, or had heart murmurs on physical examination. The symptoms include short-windedness and, in some cases, swelling of the legs.

Abnormally functioning valves were then seen on ultrasound films of their hearts, called echocardiograms.

More Clues on Arresting the Spread of AIDS

By Lawrence K. Altman
New York Times Service

NEW YORK — When men are infected with HIV and another sexually transmitted disease, like gonorrhea, their semen contains about eight times as much AIDS virus as is found in semen of men who do not have dual infections, a new study has found.

The findings indicate that control measures used in some countries to battle AIDS are worthwhile and suggest that widespread detection and treatment programs for sexually transmitted diseases could help prevent many new HIV infections, said the study's authors, from the University of North Carolina School of Medicine in Chapel Hill.

The study was carried out in Malawi where an estimated 15 percent of sexually active adults are infected with HIV, the virus that causes AIDS, chiefly from heterosexual intercourse. The study was

reported in The Lancet, an international medical journal published in London.

The findings are relevant for developed countries, said Dr. Anthony S. Fauci, the director of the National Institute of Allergy and Infectious Diseases, which is one of a number of federal agencies that paid for the study along with the World Health Organization. Family Health International conducted the study along with the University of North Carolina researchers.

"The study has important economic and public health implications," Dr. Fauci said, "because if you can treat a sexually transmitted disease with a few doses of relatively inexpensive antibiotics, you may prevent a number of HIV infections that would cost a lot more to treat."

For many years, Dr. King K. Holmes of the University of Washington, an international leader in sexually transmitted diseases, has urged that more attention be paid to such infections be-

cause of their possible role in the spread of HIV infections. Many experts believe that open sores, like those from herpes and syphilis, can make it easier to transmit HIV or become infected with it.

Also, many experts say that in the absence of a vaccine against AIDS, health workers need to look more to indirect ways to prevent the transmission of HIV. Among them are improved treatments for sexually transmitted diseases, the promotion of condom use, counseling about sexual behavior and more needle-exchange programs for intravenous drug users.

Scientists believe that cells infected by sexually transmitted diseases can produce natural substances known as chemokines. One explanation for the increased risk of HIV infection or transmission is that chemokines could ease the entry of HIV-infected cells into semen and speed up the rate of viral replication there.

An earlier epidemiology study from Tanzania suggested that treating other sexually transmitted diseases in people infected by HIV could cut the transmission of the virus by 40 percent.

Using laboratory techniques that were developed recently, a team of American, Malawi and Swiss scientists headed by Dr. Myron S. Cohen at the University of North Carolina showed that antibiotic treatment for other sexually transmitted diseases, particularly gonorrhea, in people with HIV greatly lowered the amount of the AIDS virus in the semen of HIV-infected men in Malawi.

"The more virus in semen," Dr. Cohen said, "the greater the chance for transmission to someone else."

THE study looked at 135 HIV-infected men. Of this group, 86 suffered from pain on urination because of inflammation caused by other sexually transmitted diseases — including gonorrhea, syphilis and genital ulcers presumably caused by herpes simplex virus, chlamydia and trichomonas — and were treated for them. The remaining 49 HIV-infected men did not have other sexually transmitted diseases but were treated for skin conditions.

After a week of treatment, the amount of HIV dropped significantly in the semen of men with other sexually transmitted diseases. After two weeks of treatment, the amount of HIV was similar to the levels seen in men who had been treated only for skin conditions.

Dog's Best Friend, Allergies and All

New York Times Service

NEW YORK — When people discover that something in the house is making them sick, they get rid of it, right? Guess again. Not when that something is a dog or cat, a study of 341 adults in Vancouver, British Columbia, has reported.

Each person studied by Dr. Stanley Coren, a professor of psychology at the University of British Columbia, had been found to be allergic to dogs or cats, and each had been advised by a doctor to cease sharing living quarters with a pet. But barely one person in five complied with these instructions.

And 122 of the people studied had been found to be allergic to pets long enough ago for the animal they had been living with at the time to have died. But 70 percent had replaced the dead pet with a new dog or cat.

Dr. Coren, in a letter in The British Medical Journal, said, "The emotional gain from the companionship associated with owning a pet is clearly sufficient to offset the physical discomfort caused by continued allergic reactions."

PARIS FASHION

A Master Does Old Masters

By Suzy Menkes
International Herald Tribune

PARIS — All Yves Saint Laurent's collections stand shoulder to shoulder against the flood tide of nonsense in current couture. But even by his own elevated standards, the show the designer sent out Wednesday was exceptional. Pure, harmonious and a symphony of restraint, it created a moment of fashion grace.

Referring to the past — from the 1890s to the 1980s — is endemic to this fall season. But Saint Laurent showed how his dreams of the dark, glowing world of Holbein and Rembrandt could be translated into modern life. The fur collars and rich colors never overwhelmed the clothes.

"The 15th century, the Renaissance — I love to look at those paintings," said a slim-line Saint Laurent backstage.

The Holbein hats — pouchy velvet berets with curling feathers — were the first signals of the theme. Saint Laurent introduced them with slender suits that were familiar, but always precisely proportioned and lyrically colored. There were glowing Old Master hues: ale-brown velvet dresses; black coats with lush velvet collars; deep green for a pin-striped pantsuit; a purple satin stole lapping a crimson dress; the jeweled velvet shoes.

It was as though the painted colors and textures had seeped off the canvas and into clothes that were the distilled essence of Saint Laurent. That meant evening dresses so effortless in their drapes and shaping that they seemed to pour like melted chocolate over the body, perhaps leaving shoulders bare or a side open. The historical touches were paint strokes: a jeweled band at the neckline or a simple black velvet dress with flowing trumpet sleeves.

The model Katoucha, back on the runway after five years, said: "I am so happy that haute couture is still what it was and to know that true classics are eternal."

OSCAR de la Renta also had a fine moment at Balmain, where his collection was a model of light-handed luxury. The butterfly fluttering around the Grand Hotel ballroom symbolized the airiness of clothes that were sumptuous in their fur trimmings and fancy laces, but oh-so-light. Ballerina-length tulle dresses were worked into airy cages, and sweeping coats, worn over narrow pants, were embroidered as if in Venetian glass. A flash of nude on a black dress like a transparent zipper was a witty touch.



Yves Saint Laurent's long suit.

Showing at fast pace, the simple suits with skirts or pants were enlivened with ruffles, pompadour hairdos and fur-trimmed high-heeled boots. An ovation greeted de la Renta who has renewed his Balmain contract until the year 2000.

Valentino fell into a trap you would never expect from such a savvy and refined designer. He went for hip couture. The result was a Star Trek through the 1980s, that included the model-turned-actress Cindy Crawford looking like an iron-pumping Princess Leia of "Star Wars."

Why would Valentino, a master of pretty, womanly clothes have taken this route? Could it be inspired by the designer's new muse, the beautiful, elfin-faced Rosalie of Saxe-Coburg, who had given her hair a chic modernist chop?

"Oh, no, I don't think it was me," said the princess at the late-night fête the designer threw at his French chateau. Who would want to take the responsibility?

Who takes the responsibility for making a pretty, once collection look so weird, with punky hair, feathered quills, spiky necklaces, coat-hanger shoulders, hold-your-breath belts and needle-heeled booties?

What seems cool from Britpack designers looked unexpectedly brash on Valentino's runway: the ultra-short skirts with tight paths of sequins on the hose, the openwork on leather pants, the aggressive silhouette.

Valentino's bid to be "modern" distracted from fine things, like dresses deftly scalloped at neck and hem or cut in geometric layers of organza. They showed the designer at his best.

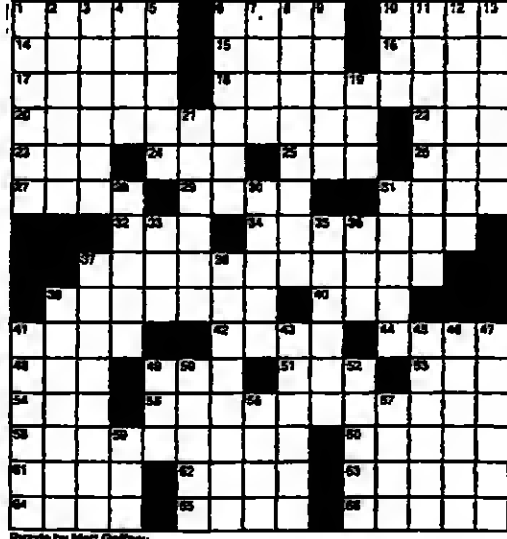
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54 Broke bread
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56 Malcolm-Jamal
Warner co-star
58 — Banks,
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61 Afghan leader
before the
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62 Russo of
"Outbreak"
63 Sports Pontiac
64 Chap
65 July 15, e.g.
66 Bad lighting?

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Solution to Puzzle of July 9

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سكنا من الالاحل

Central Bank to Use All 'Policy Weapons'

Continued by Cher Staff From Discharge

He brushed aside concerns about the depletion of reserves and high interest rates aimed at defending the peso, saying: "This is temporary. As the situation normalizes, we will bring it back to

Malaysia and Indonesia," he said, "the pressure is now in the market for regional currencies to reconsider their coupling — however loose — to the dollar." (AFP, Bloomberg)

Compiled by Our Staff From Dispatches:

ditional measures would be to reduce the French public deficit to 3.0 percent

Separately, figures released by the national statistics institute showed that French consumer confidence jumped sharply in June after the Socialists' election victory, and the benchmark CAC-40 stock index finished at around 2,050.56.

By Anthony Faiola
Washington Post Service

Part-ownership would bring a U.S. airline an important marketing alliance with Aerolineas Argentinas, the second-largest carrier in South Amer-

Although it still maintains a heavy debt load of more than \$600 million, the company broke even during the first quarter of 1997. This year the airlines is projecting a profit for the

U.S. carriers, Eastern Airlines and Pan Am sparred for decades. But when the airlines went bankrupt in 1991, American bought Eastern's routes and United picked up Pan Am's.

In Argentina, President Carlos Saul

Bloomberg News

Industrial Concern, and Splice, a Brazilian telecommunications equipment maker, won the right to operate the Sao Paulo service for the next 15 years.

are at least twice city residents waiting for a cellular telephone. The average wait for a new line from Telecomunicacoes de Sao Paulo SA, known as Telesp, the local state-controlled phone company, is about two years.

The Sao Paulo concession is one of 10 that the government hopes to award before the end of the year to open Brazil's telecommunications industry.

BellSouth shares were trading at \$45.75, down 75 cents, late Wednesday in New York.

By Miriam Jordan
Special to the Herald Tribune

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Cross Rates										
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Switzerland	1.936	1.367	1.736	8.775	0.1154*	—	5.4555*	1.3547	1.2994*	1.4445

Finance Minister Palaniappan Chidambaram has said that India needs \$200 billion in power, ports and roads in the next

While the government has passed some investor-friendly measures, it has sent mixed signals with protectionist policies, and red tape continues to make doing business difficult. "My view is that reality has set in," said Scott Bayman, president and chief executive officer of GE India, a subsidiary

[illegible][illegible]


NEW YORK — French financial investigators have met in New York with two executives from the hedge fund run by the billionaire investor George Soros as part of an insider-trading investigation in Eurotunnel SA shares, Soros Fund Management said Wednesday.

The investigation involves a 47 percent drop in the Eurotunnel share price in the spring of 1994 before a \$1.2 billion sale of additional stock that Eurotunnel held to raise cash.

In the new offering, Eurotunnel shares were priced at 22.50 French francs (\$3.80), less than half as much as the shares were trading for in January 1994.

See INDIA. Page 15

The Corum Gold Coin Watch. An authentic \$20 U.S. gold piece, first minted more than 100 years ago, is halved and an ultra-flat mechanical or quartz movement is cushioned inside. Heralded as one of the world's great timepieces, it is prized as an heirloom to be passed on from generation to generation.



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EUROPE

Merger To Create Big Bank In Russia

Compiled by Our Staff From Dispatches

MOSCOW — Renaissance Capital Group, one of Russia's largest securities firms, said Wednesday it would merge with International Finance & Investment, known in Russia as MFK, to create the country's largest investment bank.

The new company, which will be called MFK-Renaissance, will have \$400 million equity capital, total assets of \$2 billion and a further \$1 billion under management, the companies said.

"This has the possibility of becoming a bank of world stature," said Boris Jordan, chief executive of Renaissance. Mr. Jordan will become president and chief executive of the new company. Vladimir Potanin, president of MFK's parent company, Uneximbank, will become chairman. Each side will own 50 percent.

MFK and Renaissance control a large stake of Novolipetsk Metallurgical Combine with 15 percent and 9 percent of the stock respectively.

The companies said that the combined bank would bid for a 25 percent of RAO Svyazinvest — a holding company with stakes in Russian telecommunications companies — when the government sells it later this month. (Reuters, Bloomberg)

French Companies Confront More Trouble

Renault Workers to Vote

Compiled by Our Staff From Dispatches

BRUSSELS — Renault SA's 3,100 Belgian employees will vote directly on the automaker's layoff plan July 17, after company negotiators and trade unions failed Wednesday to reach an agreement on the planned closure of the Vilvoorde plant near Brussels.

During an all-night meeting with union representatives that ended Wednesday morning, Renault said it would preserve 600 jobs and offered severance pay packages ranging from 150,000 to 2 million Belgian francs (\$4,135 to \$55,140), more than the workers would get if the plant were declared bankrupt.

A union official said Renault was threatening bankruptcy if the workers did not agree.

The two sides reached a framework accord last Thursday, but details remain to be worked out.

"We are dealing with unacceptable blackmail by management, which has threatened to place the plant in receivership if its proposal is not accepted," a trade union spokesman, Karel Gacoms, said.

The main stumbling block concerns the size of payoffs and work guarantees at the site. Renault initially wanted to save only 400 jobs at the Belgian plant, but at the meeting with the Belgian unions it offered to help save 600. The company plans to close the plant before the end of this year but to continue to use the site for subcontracting work and for maintenance work on used cars.

Renault, over the objection of the Belgian government, decided to close the plant and shift production to Spain and France to save money. Analysts estimate that the closure will save at least 800 million French francs (\$136 million) a year and help the company break even this year. Renault, France's No. 2 carmaker, lost 5.26 billion francs last year.

If workers reject Renault's offer and Renault decides to let its Belgian unit be declared bankrupt, employees will be entitled to about one-third as much compensation as the company currently is offering.

Shares of Renault rose 2.40 French francs to close at 146.10 in Paris on Wednesday. Analysts say that Renault also plans to cut about 3,000 jobs in France this year out of a worldwide work force of 141,000. (AFX, Bloomberg)

Remy Cointreau Stock Skids

Compiled by Our Staff From Dispatches

PARIS — Remy Cointreau shares fell 12 percent to nearly a two-year low Wednesday after the maker of Remy Martin cognac and Cointreau liqueur said a charge for currency losses dragged its profit down 70 percent in the year ended March 31.

The company said net profit was 36 million francs (\$6.1 million), down from 120 million francs the previous year. Analysts had expected a 10 percent profit gain.

Remy Cointreau took charges of 277 million francs to cover a reorganization and future currency losses. Despite a gain of 176 million francs from asset sales, the moves resulted in a net charge of 101 million francs, which surprised analysts.

The loss came even though sales rose 5 percent, to 7.16 billion francs. Shares of Remy Cointreau fell 18.40 francs to close at 130.50, their lowest since October 1995. With that decline, the shares are down 11 percent so far this year, while the benchmark CAC-40 index has risen 27 percent.

Remy Cointreau, which also sells the Piper Heidsieck and Krug brands of Champagne, faces growing challenges in a highly competitive industry as sales of its biggest product, cognac, decline in key markets, especially Asia, analysts said.

"Competition is really tough, and they're not growing fast enough," said Denis Hurregnon of ABN-AMRO Hoare Govett in Paris. "Everyone was expecting a rebound after a 57 percent drop in fiscal 1996 earnings."

The currency losses stemmed from a decision this year to lock in a dollar exchange rate of 5.40 francs; the U.S. currency has since risen above 5.90 francs. The locked-in rate means that Remy, which makes 32 percent of its sales in dollars, is not benefiting from the dollar's gain, which normally would increase the number of francs it receives when converting its dollar sales. (Bloomberg, AFX)

Program Costs Hurt France 2

France 2, the biggest French public-television channel, had a net loss of 199.3 million francs in 1996, compared with a net profit of 60.7 million francs in 1995, Reuters reported.

The channel attributed the loss to the costs of a requirement that it co-produce an increased number of television films.

Metro Plans to Expand by Selling Hapag-Lloyd

Bloomberg News

COLOGNE — Metro AG said Wednesday it would sell its 15 percent stake in the shipping and travel company Hapag-Lloyd AG, valued at an estimated 405 million Deutsche marks (\$230.8 million), freeing resources for Europe's largest retailer to expand abroad.

But Metro's shares fell after its chief executive, Klaus Wiegandt, said investors might be overestimating the potential earnings gain from expansion.

Metro, which owns department-store, super-

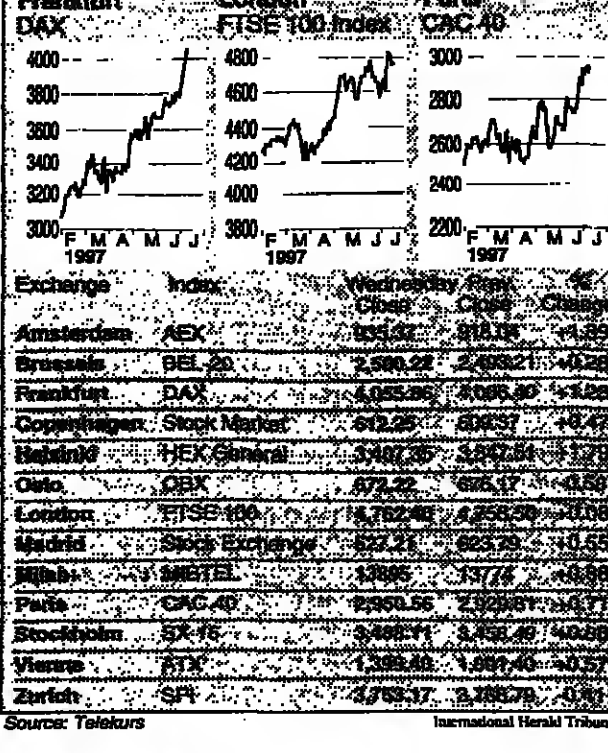
market and home-improvement chains, would not comment on a possible buyer for its stake in Hapag-Lloyd. Preussag AG last month said it was holding talks with some of Hapag-Lloyd's largest shareholders, including Lufthansa AG, about buying their stakes.

Since its creation last year in a merger of the German units of Metro Group of Switzerland, Metro AG has moved to shed unprofitable businesses. Such measures are expected to raise earnings by 140 million DM annually, the company said.

"Metro has convinced a lot of people who were skeptical at the beginning that the company is committed to following through with its strategy," said Peter Klarer, a fund manager at Victoria Kapitalanlagegesellschaft.

Metro shares have risen more than 70 percent since the beginning of the year. But the stock fell after Mr. Wiegandt said there had been "too much fantasy" involved in its rise this week after Metro said it was talking with SHV Holding NV about buying its European warehouse stores. Metro fell 3.4 percent, or 7.40 DM, to close at 209.

Investor's Europe



Source: Reuters

Very briefly:

• British Aerospace PLC's managing director, J.P. Weston, told a French parliamentary panel that he expected B.A. would combine with the planned Aerospaciale-Dassault merged company and Daimler-Benz Aerospace AG of Germany as "the strict minimum to create a European company."

• Ispat International, the family-owned business of the British businessman Lakshmi Mittal, plans to raise \$450 million by selling 16 percent of its shares on the New York and Amsterdam exchanges, sources said.

• Deutsche Postbank AG said there was no longer enough time this year for the banking arm of the former Deutsche Bundespost to complete an initial public offering.

• Deutsche Telekom AG ruled out layoffs in an agreement with the German postal workers' union on cutting its work force by another 30,000, to 170,000, by 2000.

• Volkswagen AG said strong demand had led it to hire the privately owned car-body maker Karmann GmbH to build about 50,000 Golf Variants by mid-1998.

• Italian new-car registrations in June rose 51 percent from a year earlier, to 222,800, amid a program of incentives for trade-ins. (Reuters, Bloomberg)

WORLD STOCK MARKETS

Wednesday, July 9

Prices in local currencies.

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Wednesday's 4 P.M. Close
 Nationwide prices not reflecting late trades elsewhere.
The Associated Press.


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Daewoo

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TAIPEI Taiwan stock as unarmied by China we target zones main ports.

Rattled investors plow and dollars main stock points as dailied to 22 (\$787 million).

But what make. Taiwan index has been closing Wed high of 9,366 daily trading times, to 212.

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INDIA

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ASIA/PACIFIC



Daewoo Motor Co. of South Korea Is Hit by Strike

Striking employees of Daewoo Motor Co. marching past rows of new cars Wednesday at a company plant at Bupyeong, South Korea, as more than 10,000 Daewoo workers went on a one-day work stoppage. Union leaders said workers would start an indefinite strike next week unless management meets their pay demands.

Taiwan Stock Surge Raises Eyebrows

Can Run to 7-Year High Be Sustained?

TAIPEI — In March 1996, Taiwan stock investors were fleeing as unarmored ballistic missiles fired by China were splashing down into target zones just outside Taiwan's main ports.

Rattled by eight months of Beijing's military menacing, investors plowed their funds into gold and dollars — and sank Taiwan's main stock index to below 4,700 points as daily trading volume dwindled to 22 billion Taiwan dollars (\$787 million).

But what a difference a year can make. Taiwan's benchmark stock index has about doubled since then, closing Wednesday at a seven-year high of 9,362.68. At the same time, daily trading has risen nearly 10 times, to 212.9 billion dollars.

But the rally that made Taiwan one of the world's best-performing stock markets faces some hurdles. The biggest is whether Taiwan companies — especially the electronics makers that paced the run — can deliver the profits many investors are counting on. Some fund managers say they cannot.

"Taiwan is overvalued," said Haddon Zia, a fund manager at Prudential Portfolio Managers Asia Ltd. in Hong Kong. "Thinking about earnings growth went out the window months ago. As value investors, we won't touch it."

Many others will, especially the individual investors who account for about 80 percent of trading on Taiwan's stock exchange. But Mr. Zia is one of a growing number of fund managers and analysts who say

Taiwan stock-market investors ought to brace themselves for a correction. Those voicing concern include Taiwan's government. For the fifth time in the past month, officials warned this week that corporate profits may not live up to expectations. No doubt, Taiwan is having a great run. Its stock index has risen 34 percent so far this year after a gain of 60 percent in 1996. About half of that gain came from technology companies, which as a group have surged 168 percent this year alone.

Analysts say the stock rally remains broad and has shown few signs of the kind of "hubble" build-up that preceded Taiwan's collapse in 1990, when the index fell 80 percent from a peak of 12,495 in just eight months.

Stocks, however, now trade about 36 times their earnings per share, almost double their premium 18 months ago and the highest since 1994. That is also double the premium commanded by stocks in Hong Kong and Singapore.

Taiwan stocks once reached headier heights. Back in 1989, stocks fetched almost 70 times their average earnings per share. The surge ended in 1990, when the index tumbled from its record high to 2,705 points. That slide, triggered by rising interest rates, gathered momentum as individuals struggled to repay money they had borrowed to buy stocks.

That history of swings in the Taiwan market is reason enough to be wary now, in the view of many. "I'd be more cautious in the short term," said Peter Kurz, managing director of Merrill Lynch & Co. in



Source: Bloomberg

Taipei. "Stocks rose too far too fast."

So far, the central bank has not followed through on its threat to raise interest rates as a way of cooling the market.

"The central bank is doing nothing much other than sending signals," said Allen Lai, an assistant vice president of W.I. Carr (Taiwan) Ltd. "More and more people are joining the party."

But doing so is not cheap. Take Acer Inc., one of the world's largest makers of personal computers. At 92 dollars, Acer's shares fetch about 44.6 times its forecast 1997 earnings per share.

Dell Computer Corp., by comparison, can be purchased for less than 28 times its earnings in New York, and Compaq Computer Corp. fetches less than 20 times earnings.

"The trouble with Taiwan is that there may be good companies, but you can find better value elsewhere," Mr. Zia said. Still, Taiwan stocks have the economy in their favor. Consumer prices are rising at 2.8 percent a year, the lowest pace in five years. That plus unemployment hovering near its highest rate in a decade gives the central bank little reason to raise rates to burst any stock-market bubble. (Bloomberg, Reuters)

Trade Surplus Leap Follows Increase In Japan's Exports

Compiled by Our Staff From Dispatches

TOKYO — The surplus in Japan's broadest measure of trade more than doubled in May because of surging exports of automobiles and computers and a drop in consumer spending at home, the government reported Wednesday.

Japan's current account surplus — which measures trade in merchandise, services, tourism and investments — leaped to 906.8 billion yen (\$8 billion) in May, up 154.9 percent from the same month last year.

It was the second straight monthly increase in the account, which jumped 92.7 percent in April compared to a year ago. The May figure was less than expected, but analysts said the surge will continue.

Japan is importing and imports are growing, but exports are growing a lot faster," said Mineko Sasaki-Smith, senior economist at CS First Boston in Tokyo.

Japan has been under pressure from other Group of Seven industrialized nations, and particularly the United States, to cut its huge surpluses in external trade and the current account.

On Wednesday, the government stuck to its line that the rising surplus was only a temporary phenomenon and that Japan's economic recovery would, as Washington has insisted, be based on domestic-led demand rather than exports.

Finance Minister Hiroshi Mitsuoka said at a press conference that "a sharp rise of the surplus in the trade and services sector is unlikely, as we are trying to achieve domestic demand-led economic recovery."

Treasury Secretary Robert Rubin of the United States suggested Wednesday that it was too early to judge whether the Japanese were taking effective steps to prevent the surplus from growing to the point that it becomes a major irritant to its trading partners.

Prime Minister Ryutaro Hashimoto "has stated that the objectives are demand-led growth and the avoidance of sustained external surpluses," Mr. Rubin said. "I think that they have a plan they think will get them where they are going. If

they don't, they have the challenge of what they do next."

Exports gained 20.2 percent in 3,984.9 billion yen while imports edged up 5.8 percent to 3,057 billion yen, leading in a 118.6 percent jump in the trade surplus year-on-year.

A Finance Ministry official attributed the higher surplus in May to an increase in the consumption tax from 3 percent to 5 percent on April 1, which cut consumer spending.

"Since auto producers boosted their output ahead of the consumption tax hike, the reaction to that continues to be seen in May, in auto exports," the official said.

The dollar closed Wednesday at 112.65 yen in Tokyo trading. It has fallen 11 percent against the Japanese currency since May 1.

The stronger yen also pressured stock prices, sending the benchmark Nikkei 225 index down 0.79 percent in close at 19,697.17.

(AP, AFP, Bloomberg)

Sumitomo Fires 2 Executives Who Sued It

Bloomberg News

TOKYO — Sumitomo Bank of California Corp. said Wednesday that it has dismissed two employees who had filed a lawsuit accusing the bank of hiding risky loans and avoiding lending money to minorities.

"They were making defamatory statements about the company," said Kyle Tatsumoto, a spokesman for the U.S. subsidiary of Sumitomo Bank Ltd. of Japan, one of the world's largest banks.

Charles Welch and Bruce

Lenox, two loan officers, sued the bank last month, charging that it destroyed evidence to cover up violations of U.S. banking laws. The bank has denied the charges.

'Red Chips' Plummet 6.9 Percent in Hong Kong

Bloomberg News

HONG KONG — Chinese "red chips," the hottest stocks in Hong Kong, tumbled Wednesday amid talk that some of the companies are being investigated by the authorities on the mainland.

The index of mainland-backed companies fell 6.9 percent, led by China Resources Enterprise Ltd. The index has shed more than 10 percent the past three days.

"There are rumors that Chinese regulators are investigating some of the red chip companies to see if they gave preferential treatment to some of their directors in allocating shares" from their initial public offerings, said Terry Cheung, senior marketing manager Yamaichi International (HK) Ltd.

A spokesman for the China Securities Regulatory Commission said he did not know of any investigation.

"This whole episode is an illustration of how overheated Hong Kong's market in China stocks has become — and how closely aligned Hong Kong's market is to China now," said Graham Muirhead, a director of HSBC Asset Management Hong Kong Ltd., which owns 42 percent of its Asian stocks, outside Japan, in Hong Kong.

In the past month stocks traded in Shanghai and Shenzhen have plunged as regulators there cracked down on speculation by Chinese companies and investors. Since many of the same investors also have money in Hong Kong-traded stocks, they may be

forced to sell to cover their losses in the domestic markets, Mr. Muirhead said.

Beijing Calls for Upbeat Coverage

China's official Xinhua news agency sent an internal directive to leading securities firms and newspapers asking them to help prevent stocks from extending their declines, Bloomberg News reported from Beijing.

The directive, in the form of a commentary, instructed analysts and newspaper reporters to write positive articles about companies and the stock market, according to two traders who have seen it. They spoke on condition of anonymity.

Xinhua officials could not immediately be reached for comment.

News Corp. Sells Off Magazine Holding

Compiled by Our Staff From Dispatches

SYDNEY — Rupert Murdoch's media and entertainment conglomerate, News Corp., said Wednesday it would leave the Australian magazine-publishing field as part of its program to sell assets to finance expansion.

News Corp. confirmed it had sold its 40 percent holding in PMP Communications Ltd., an Australian magazine publisher, in hope of raising 325 million Australian dollars (\$241.6 million). It did not say who had purchased the stake.

PMP publishes titles such as TV Week and New Idea, a women's magazine. It recently said that its pretax earnings in the year that ended June 30 would be 15 percent

to 20 percent lower than the 62 million dollars it earned in the previous year.

News Corp. is grappling with a softer advertising market and problems stemming from last year's acquisition of the compact-disk company Shomega.

The sale of News Corp.'s interest in the Australian multimedia group brought the total raised in the company's asset-sale program to \$478 million since early June, more than half the \$800 million target that Mr. Murdoch set in an announcement to the financial community in May.

Mr. Murdoch's aggressive expansion over the past three years into U.S. movies, network television and satellite television has

forced News Corp. to raise cash this year to soothe market and rating-agency concerns about rising debt levels.

News Corp. announced last week the sale of its 50 percent stake in Australian Newsprint Mills to New Zealand's Fletcher Challenge Paper Ltd. for 293.5 million dollars.

Analysts said News Corp.'s sale of 101.6 million PMP shares at 3.20 dollars each to institutional investors showed it was serious about selling poorly performing assets in low-growth media sectors.

News Corp. shares closed at 6.53 dollars, down 0.01, in Sydney trading. PMP shares closed 0.46 lower at 3.19. (AP, Reuters)

INDIA: Foreign Investors Remain Wary Despite New Delhi's Economic Reforms

Continued from Page 11

That perception is reflected in the decline in U.S. trade missions to India. Only three missions visited here last winter, compared with 12 missions during the previous two winters. Visits by U.S. executives are also down, embassy officials in New Delhi said.

Unlike in the early 1990s, project proposals usually win approval from the Foreign Investment Promotional Board in a matter of days instead of months or even years. But Japanese investors, newcomers to India, are finding that their bureaucratic woes simply begin later.

Last year, several months into building a factory, the zipper-maker YKK Corp. of Japan became embroiled in a court case filed against the government by the association of Indian zipper manufacturers, who argued that their small-scale industry should be spared competition from a

multinational giant. In another case, the Indian customs authority has accused Sony India Ltd., a wholly owned subsidiary of Sony Corp., of evading about \$11 million in duties since 1995. Sony says that the Foreign Investment Promotional Board authorized it to import ready-to-assemble color televisions at a special rate until the sets could be completely produced locally.

Meanwhile, the multiparty coalition led by Prime Minister Inder Kumar Gujral has unveiled measures that promise to be a boon to foreign investment.

Last week, the government said it would give nine large state-owned companies financial autonomy, including the freedom to form joint ventures with foreign companies.

In May, Parliament passed a budget that cut personal and corporate taxes.

The government has opened

coal-mining and highway construction projects to private investors.

A telecommunications regulatory board has been established to oversee cellular and basic telephone services nationwide.

"There's quiet, solid progress," said Garcharan Das, a consultant and former head of Procter & Gamble Co. in India, but added, "It's reform by stealth." If the government tries to pass bolder measures, its Communist coalition partners "will jump on them."

That, say many, is the problem. Mr. Gujral must balance the wishes of reformist cabinet members, such as his finance minister, Mr. Chidambaram, and Industry Minister Murasoli Maran, with the demands of Communist members in the government.

"Even if there are two steps forward, it's the one step backward that investors remember," said Akram

Fahmi, chairman of the Indian unit of Seagram Co.

Such a step backward, investors say, would be a new broadcast law, which, if passed by Parliament, would require foreign satellite operators, many of whom already transmit their channels into India from neighboring countries, to establish local transmission centers and give up majority stakes to Indian owners.

An aviation policy approved earlier this year barred foreign airlines from investing in Indian carriers. The policy sounded the death knell for a proposed \$670 million joint-venture airline between Singapore Airlines Ltd. and Tata group of India; the deal was also seen as a post-Enron Corp. bellwether of foreign investment. Mr. Gujral has since requested a review of the aviation policy.

But Mr. Fahmi said the moves may be a bit late. "The bad taste has already settled in the mouth of investors."

Annual Reports

Further to the two advertisements which appeared in the *International Herald Tribune* on June 26 and July 7, please send me the Annual Reports for the following companies or e-mail your requests to Annual-Report@iht.com

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| 2 <input type="checkbox"/> Dexia | 6 <input type="checkbox"/> SKF |
| 3 <input type="checkbox"/> Lafarge | 7 <input type="checkbox"/> Statoil |
| 4 <input type="checkbox"/> Modo | 8 <input type="checkbox"/> Union Bancaire Privée |

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NASDAQ

Wednesday's 4 P.M.
The 1,000 most-traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press

Symbol	Price	Change	Volume	High	Low	Open
IBM	100.00	+0.12	1,234,567	100.10	99.80	100.00
Microsoft	55.00	+0.25	987,654	55.10	54.75	55.00
Apple	45.00	+0.10	876,543	45.10	44.90	45.00
Amazon	25.00	+0.50	765,432	25.10	24.50	25.00
Google	15.00	+0.20	654,321	15.10	14.80	15.00
Yahoo	10.00	+0.15	543,210	10.10	9.85	10.00
Oracle	30.00	+0.30	432,109	30.10	29.70	30.00
SAP	20.00	+0.20	321,098	20.10	19.80	20.00
Novartis	40.00	+0.40	210,987	40.10	39.60	40.00
Roche	35.00	+0.35	109,876	35.10	34.65	35.00

Symbol	Price	Change	Volume	High	Low	Open
Merck	30.00	+0.30	98,765	30.10	29.70	30.00
Novartis	40.00	+0.40	87,654	40.10	39.60	40.00
Roche	35.00	+0.35	76,543	35.10	34.65	35.00
Novartis	40.00	+0.40	65,432	40.10	39.60	40.00
Roche	35.00	+0.35	54,321	35.10	34.65	35.00
Novartis	40.00	+0.40	43,210	40.10	39.60	40.00
Roche	35.00	+0.35	32,109	35.10	34.65	35.00
Novartis	40.00	+0.40	21,098	40.10	39.60	40.00
Roche	35.00	+0.35	10,987	35.10	34.65	35.00
Novartis	40.00	+0.40	9,876	40.10	39.60	40.00

Symbol	Price	Change	Volume	High	Low	Open
Novartis	40.00	+0.40	8,765	40.10	39.60	40.00
Roche	35.00	+0.35	7,654	35.10	34.65	35.00
Novartis	40.00	+0.40	6,543	40.10	39.60	40.00
Roche	35.00	+0.35	5,432	35.10	34.65	35.00
Novartis	40.00	+0.40	4,321	40.10	39.60	40.00
Roche	35.00	+0.35	3,210	35.10	34.65	35.00
Novartis	40.00	+0.40	2,109	40.10	39.60	40.00
Roche	35.00	+0.35	1,098	35.10	34.65	35.00
Novartis	40.00	+0.40	987	40.10	39.60	40.00
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Novartis	40.00	+0.40	765	40.10	39.60	40.00
Roche	35.00	+0.35	654	35.10	34.65	35.00
Novartis	40.00	+0.40	543	40.10	39.60	40.00
Roche	35.00	+0.35	432	35.10	34.65	35.00
Novartis	40.00	+0.40	321	40.10	39.60	40.00
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Roche	35.00	+0.35	98	35.10	34.65	35.00
Novartis	40.00	+0.40	87	40.10	39.60	40.00
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Novartis	40.00	+0.40	65	40.10	39.60	40.00
Roche	35.00	+0.35	54	35.10	34.65	35.00
Novartis	40.00	+0.40	43	40.10	39.60	40.00
Roche	35.00	+0.35	32	35.10	34.65	35.00
Novartis	40.00	+0.40	21	40.10	39.60	40.00
Roche	35.00	+0.35	10	35.10	34.65	35.00
Novartis	40.00	+0.40	9	40.10	39.60	40.00
Roche	35.00	+0.35	8	35.10	34.65	35.00
Novartis	40.00	+0.40	7	40.10	39.60	40.00
Roche	35.00	+0.35	6	35.10	34.65	35.00

Symbol	Price	Change	Volume	High	Low	Open
Novartis	40.00	+0.40	5	40.10	39.60	40.00
Roche	35.00	+0.35	4	35.10	34.65	35.00
Novartis	40.00	+0.40	3	40.10	39.60	40.00
Roche	35.00	+0.35	2	35.10	34.65	35.00
Novartis	40.00	+0.40	1	40.10	39.60	40.00
Roche	35.00	+0.35	0	35.10	34.65	35.00
Novartis	40.00	+0.40	0	40.10	39.60	40.00
Roche	35.00	+0.35	0	35.10	34.65	35.00
Novartis	40.00	+0.40	0	40.10	39.60	40.00
Roche	35.00	+0.35	0	35.10	34.65	35.00

NYSE

Wednesday's 4 P.M. Close
(Continued)

Symbol	Price	Change	Volume	High	Low	Open
IBM	100.00	+0.12	1,234,567	100.10	99.80	100.00
Microsoft	55.00	+0.25	987,654	55.10	54.75	55.00
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Roche	35.00	+0.35	0	35.10	34.65	35.00
Novartis	40.00	+0.40	0	40.10	39.60	40.00
Roche	35.00	+0.35	0	35.10	34.65	35.00
Novartis	40.00	+0.40	0	40.10	39.60	40.00
Roche	35.00	+0.35	0	35.10	34.65	35.00

صباحنا الامم

WORLD ROUNDUP



The leader Joakim Haeggman lining up a putt Wednesday.

Swede Grabs Lead

GOLF Joakim Haeggman shot a course-record 8-under-par 63 Wednesday to take the first-round lead at the Loch Lomond World Invitational.

Tom Lehman, who will defend his British Open title at Royal Troon next week, shot 65 and Colin Montgomerie, winner of the Irish Open last Sunday, made a 2-under-par 69.

John Daly, who was treated for alcoholism this spring, has pulled out of the British Open, saying his "personal health" would not allow him to play. (AP)

Driver's Father Dies

FORMULA ONE Johann Berger, father of the Austrian Formula One driver Gerhard Berger, died early Wednesday after his private plane crashed in the Alpine region of Tirol, local police said.

Berger, 62, flew into a wooded mountain in thick fog. (Reuters)

Old Balkan Rivals Clash

SOCCER Two of the dominant teams from the old Yugoslavia, Partizan Belgrade and Croatia Zagreb, formerly Dynamo Zagreb, will face each other in the first qualifying round of the European Cup later this month.

Wednesday's draw brought the old rivals together for the first time since the breakup of Yugoslavia. They last met in the old Yugoslav first division in May 1991.

"From a sporting standpoint it's a difficult match," said Zarko Zecevic, Partizan's general secretary. "But we will just approach this as another football game and let others worry about other things."

Vlatko Markovic, Croatia Zagreb's coach, said: "It is the most important match in the draw. We think we are the better side and there is nothing else to add." (Reuters)

Royals Replace Manager

BASEBALL Bob Boone was fired Wednesday as manager of the Kansas City Royals and replaced by Tony Muser, the Chicago Cubs' hitting coach. Muser inherits a team that is 36-46, 9½ games behind Cleveland in the American League Central.

The Royals also fired their hitting instructor, Greg Luzinski, and first base coach, Mitchell Page, and replaced them with Frank White, a former star second baseman for the Royals, and Tom Poquette, another former Kansas City player. (AP)

Anti-Olympic Flame?

OLYMPICS An arson fire badly damaged a tennis hall outside Stockholm on Wednesday. It was the latest in a series of attacks possibly carried out by fans of Sweden's bid for the 2004 Summer Olympics.

In the last two months, fires have damaged four other sporting sites in the Stockholm area, while a fire-bomb scorched the home of former Prime Minister Ingvar Carlsson, a supporter of the bid. (AP)

PEDALING FOR GLORY

International Herald Tribune editor Samuel Abt has been writing about bicycle racing for two decades in his new book, "Pedaling for Glory." The book covers the 1996 pro bicycle racing season — one of the most dramatic in history. From the ice and snow of the early races in March to the sweltering heat at the Summer Olympics, the book follows the races and the racers in what Greg LeMond once described as "the toughest job in the world."

"Pedaling for Glory" (US\$14.95) can be ordered through quality bookstores everywhere or from: Motorbooks International, POB 1, Osceola, Wisconsin, USA 54020.

Alomar's Homer, at Home, Carries AL to Victory

Indians' Catcher Pens Script That Hollywood Couldn't Top

By Mark Maske
Washington Post Service

CLEVELAND — The 68th All-Star Game was one of those special nights when real life came up with something better than anything in the most sentimental of movie scripts.

Sandy Alomar, the hometown favorite who had dedicated this game to his grandmother, who died last weekend at 96, ripped a two-run, tie-breaking home run in the seventh inning to give the American League a 3-1 triumph over the National League on Tuesday night before 44,916, the largest crowd ever to see a game at Jacobs Field.

The Cleveland Indians catcher received boisterous ovations from the crowd for virtually everything that he did. But none of the ovations was louder than the one he received when he lifted a pitch from the San Francisco Giants' Shawn Estes over the left field wall with two out in the bottom of the seventh. Estes had issued a one-out walk in the inning to the New York Yankees' Bernie Williams.

Alomar became the first Indians player to hit a home run in an All-Star game since Rocky Colavito in 1959, and the first major-league player to hit an All-Star home run in his home ballpark since Hank Aaron did it in Atlanta in '72. Alomar also became the first player ever to be named the most valuable player of an All-Star game in his home ballpark.

"You could see it in his eyes, the stardust and the magic," said Jim Thome, Alomar's teammate both as an All-Star and an Indian.

The AL, which ended the NL's three-game All-Star winning streak, got a second-inning homer from Edgar Martinez off the NL starter, Greg Maddux.

The AL starter, Randy Johnson, provided a humorous second-inning moment with Larry Walker, and he and Roger Clemens, David Cone, Justin Thompson and Pat Hentgen limited the NL to one hit — a third-inning single by Jeff Blauser — over the initial six innings. Javier Lopez's seventh-inning home run against Jose Rosado evened the score for the NL at 1-1.

Rosado got the victory for the AL, and Mariano Rivera worked the ninth to finish off the AL's three-hitter and notch the save. Estes took the loss.

Much of the pregame attention focused on the Johnson-Walker matchup and whether it would produce a John Kruk-type experience for the Colorado Rockies' outfielder.

During the 1993 All-Star Game in Baltimore, Johnson threw a fastball over Kruk's head to the backstop. The left-handed-hitting first baseman motioned to his chest, as if his heart were beating rapidly, then struck out with a meek swing on a slider from the imposing left-hander.



Larry Walker of the NL, batting with his helmet on backwards.

ALL-STAR GAME												
AMERICAN LEAGUE						NATIONAL LEAGUE						
AB	R	H	R	BI	SA	AB	R	H	R	BI	SA	AVG
Biggio 2b	3	0	0	0	0	1	0	0	0	0	0	.000
Womack 2b	1	0	0	0	0	0	0	0	0	0	0	.000
Gwynn dh	3	0	0	0	0	0	0	0	0	0	0	.000
B-Gonzalez	1	0	0	0	0	0	0	0	0	0	0	.000
Bonds lf	2	0	0	0	0	1	0	0	0	0	0	.000
Slattery lf	1	0	0	0	0	0	0	0	0	0	0	.000
Piazza c	1	0	0	0	0	0	0	0	0	0	0	.000
J-Lopez c	1	0	0	0	0	0	0	0	0	0	0	.000
Clemens c	1	0	0	0	0	0	0	0	0	0	0	.000
Segund 1b	2	0	0	0	0	0	0	0	0	0	0	.000
McGee 1b	1	0	0	0	0	0	0	0	0	0	0	.000
W-Lopez 1b	1	0	0	0	0	0	0	0	0	0	0	.000
Alou lf	2	0	0	0	0	0	0	0	0	0	0	.000
Cominetti 2b	2	0	0	0	0	0	0	0	0	0	0	.000
Chavez 2b	1	0	0	0	0	0	0	0	0	0	0	.000
Leiford 2b	2	0	0	0	0	0	0	0	0	0	0	.000
Blauser ss	2	0	0	0	0	0	0	0	0	0	0	.000
Coyan ss	0	0	0	0	0	0	0	0	0	0	0	.000
Totals	29	0	0	0	0	1	4	7				

The left-handed-hitting Walker, who is leading the NL with his 398 batting average and 25 homers, sat out the interleague game this season in which the Rockies faced Johnson. The two are friends and former minor league teammates in the Montreal Expos organization, and Johnson was ready for Walker on Tuesday night.

Johnson threw a pitch high over Walker's head to the backstop when Walker batted with two out and the bases empty in the top of the second. Walker then put his batting helmet on backward and hit right-handed for a pitch, a ball from Johnson. Walker then returned to the left-handed batter's box and drew a walk on a 3-1 pitch.

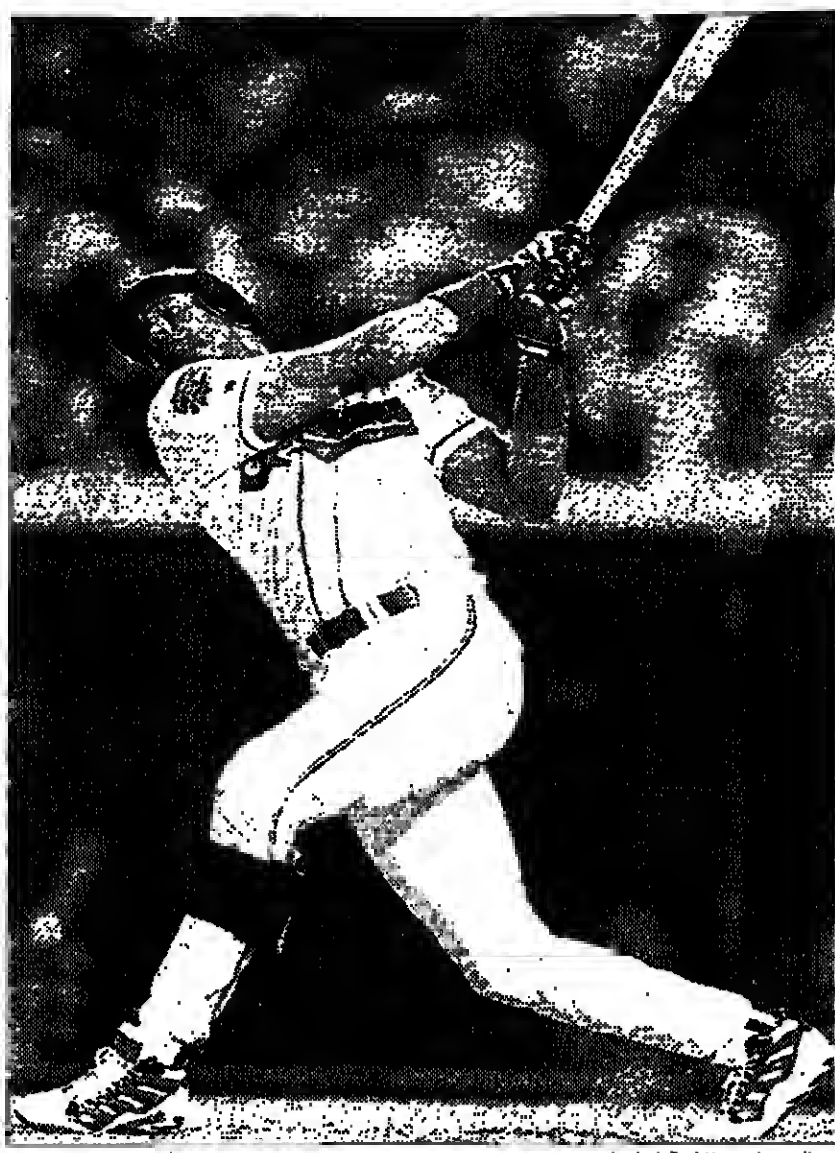
The AL manager, Joe Torre, suggested that perhaps the two had planned the moment at breakfast, but Johnson and Walker denied that and said they were sticking to their stories.

"When he throws a pitch like that, you just hope it's high," Walker said. Said Johnson: "We had a good time. The ball slipped out of my hand. You saw it. I went right to the resin bag."

Johnson got Ken Caminiti to ground to Cal Ripken for an inning-ending force, and the AL had a 1-0 lead soon thereafter. Martinez, the designated hitter of the Seattle Mariners who became the first DH ever elected in the fans' voting because the position was on the ballot for the first time this year, led off the bottom of the inning by pulling a full-count pitch from Maddux over the left field fence for his first All-Star home run.

Clemens took the mound after Johnson's two innings and yielded Blauser's single to center field. Craig Biggio followed with a ground ball toward the hole on the right side of the infield, but Roberto Alomar made a diving stop and got the out at first base. Blauser moved to second base on the play but was stranded when Clemens got Tony Gwynn to ground out to end the inning.

Joey Cora made a nice defensive play in the sixth after taking over for Alomar at second base. But Rosado, the Kansas City Royals' flamboyant left-hander, couldn't hold the lead after taking over in the seventh.



The AL's Sandy Alomar hitting a two-run homer in the seventh inning.

From Mugs to Bonuses: Incentives for All-Stars

By Chris Baker
Los Angeles Times

CLEVELAND — The Hall of Fame outfielder Frank Robinson, who played in 12 All-Star games, was thrilled to get a bonus for making the team for the first time, in 1956.

"I got a bonus all right, a ticket to get there," said Robinson, who was the honorary National League captain for the game Tuesday night at Jacobs Field.

In truth, he said: "It was just an honor to be voted onto the All-Star team. The gift was the biggest thing. They had silverware, silver dishes and grandfather clocks."

"You selected a gift, and that was it. That was the most exciting thing. We didn't even get rings."

The American League manager Joe Torre didn't get much more for playing in eight All-Star games in the 1960s and '70s. "You got some beer mugs," Torre said. "You got a chance to pick pewter mugs. There were no bonuses involved."

Times have changed. Some players now have incentive clauses in their contracts, giving them bonuses of as much as \$100,000 — Ken Griffey Jr. — for making the All-Star team.

The Colorado Rockies' first baseman, Andres Galaraga, got a \$50,000 bonus. "It's motivation," Galaraga said. "To make the All-Star team at first base is really tough because almost every first baseman in the National League is a good hitter."

All-Star incentives aren't standard. "I got a Happy Meal and all the Cokes I want," said David Justice of the Cleveland Indians. "To tell you the truth, I don't really care if I get a bonus. I'm just enjoying this."

The Anaheim Angels' pitcher, Jason

Dickson, didn't get a bonus either. "I'm a rookie, and it's pretty hard to negotiate your contract with 40 days of service," he said.

Chipper Jones of the Atlanta Braves received \$25,000 for making the team. "Yes, we make a lot of money," he said, "and that would lead many to believe that we don't have a lot to go out and play for, that we just show up and throw our gloves out there."

"But everybody who's here takes a lot of pride in the fact that they've worked their tail off throughout the first half," Jones said. "All these things are for fans."

The Los Angeles Dodgers' catcher, Mike Piazza, the leading vote-getter in the National League for the second consecutive season, said the bonuses are deserved.

"No one says Bill Gates makes too much money," said Piazza, who does not get a bonus.

But why should players who are paid millions get a bonus for playing well, something they already are paid to do?

"Ask the general managers and the owners," said pitcher Denny Neagle of the Braves. "If they're willing to give it to us, we're not going to complain. I think they feel that if you've had a good first half and have helped the team out, then they give you some sort of incentive or bonus."

Jeff Bagwell of the Houston Astros, second in the National League in home runs with 24, was surprised to discover a \$25,000 All-Star bonus clause in his contract. "We make a lot of money and to get a bonus for coming here is kind of funny," he said.

Infielder Tony Womack of the Pittsburgh Pirates says making the All-Star team is reward enough. "I'm happy to be in the All-Star game," he said. "It's only money."

Grandmother's Death Offered Perspective

By Dave Anderson
New York Times Service

CLEVELAND — The small black ribbon was pinned to the chest of Sandy Alomar Jr.'s white Cleveland Indians uniform. Another small black ribbon was on Roberto Alomar's white Baltimore Orioles uniform.

Their 96-year-old grandmother, Toney Valazquez, had died last week in Puerto Rico, but their mother didn't tell

VANTAGE POINT

Sandy and Robbie of her death until Sunday. On purpose.

"She had told our mother that when she died," Sandy Alomar said, "she didn't want us to miss any games to go to the funeral."

So the Alomar brothers played in Tuesday night's All-Star Game at Jacobs Field. Robbie made two sparkling defensive plays at second base, and Sandy hit a two-run homer to provide the American League with a theatrical 3-1 victory.

"This one's a topper," Sandy Alomar said. "This home run before a hometown crowd. You only get one chance to do this in an All-Star Game in the city where you play."

Of all the Indians, the 31-year-old catcher is currently the most popular. With a 30-game hitting streak, he is leading the AL in batting with a .375 average. As he rounded the bases, he seemed to be floating in the euphoria of it all, and in the emotion of his grandmother's death.

"I know my Grandma is in a better place, she was suffering a lot," he said later. "This game was dedicated to her, and the rest of the season is dedicated to her. My home run in that situation is a blessing from God."

Sandy Alomar's hitting streak is the longest in the major leagues this decade. If he hits safely in his next two games, Thursday and Friday at Minnesota against the Twins, he would break the Indians' record of 31 games, set in 1906 by Napoleon Lajoie, a legendary Hall of Fame second baseman and also a long-time Indians manager.

With hits in five more games, he would break the record for a catcher of 34 games, set in 1987 by Benito Santiago, then with the San Diego Padres.

If he were to go on to win the batting title, he would be the first catcher to do so in the AL and only the second catcher in history. Ernie Lombardi of the Cincinnati Reds won the National League batting title in 1938.

"I'm in a good groove right now," he said. "Everything you see looks like a beach ball, and you hope it stays that way. I'm able to stay back and still reach to the fastball. I feel I have good bat speed now, and good bat speed is the most important part of hitting."

Shawn Estes, the San Francisco Giants' 24-year-old left-hander with a 12-2 record, had an 0-2 count on Alomar with curveballs. "But then he threw, I don't remember if it was a fastball or a changeup, and I hit it," Sandy Alomar said. "But I don't consider myself a home run hitter. I think you got to hit 30 home runs to be considered a home run hitter."

He has 11 homers this season, but only 64 for his career that has been interrupted by spinal surgery and knee surgery. "My grandmother was very religious," he said, "and what I learned from my grandmother was, good or bad, never give up. I've had a lot of injuries. I wasted a lot of time in my career being on the disabled list, but I never gave up."

And what would he say to his parents in Puerto Rico when he phoned them? "I won't have to say anything," he said, laughing. "My mom, Maria, will do all the talking."

Baseball's Latest Realignment Plot

Owners Discuss Plan That Would Break With the Game's History

By Murray Chass
New York Times Service

CLEVELAND — You don't like that plan? Try this one.

That was the approach Major League Baseball's realignment committee took Tuesday at a meeting designed to try to move forward in the owners' efforts to satisfy everyone in general and the Tampa Bay Devil Rays and the Players Association in particular.

Stymied in its effort to move the expansion Devil Rays from the American League West to the AL East and get the union's approval on a 1998 schedule, the committee debated Tuesday a radical realignment plan that would end the American and National Leagues as they have been known since the beginning of the century.

The latest plan, which has no greater promise of acceptance than any other, would combine AL and NL teams in a mixture of two new leagues, one with 16 teams, the other with 14. Each league would have two divisions of equal numbers of teams.

As with previous plans, the future of this one is uncertain because each team has veto power over changing leagues. Under this plan, 13 or 15 existing teams, in effect, would have to change leagues.

The design of the plan is based on geographical considerations, and, according to a baseball official who disclosed it, is aimed either at capitalizing on the increased interest shown by fans in the geographical rivalries in interleague play or at trying to pressure some clubs into accepting a more modest realignment plan.

Under the proposed alignment discussed Tuesday, the leagues and divisions would look like this:

In League A, the East would comprise the Yankees, Mets, Orioles, Red Sox, Phillies, Blue Jays and Expos. The Central/South division would have the Pirates, Indians, Reds, Tigers, Braves, Marlins and Devil Rays.

In League B, the Central would be made up of the Cubs, White Sox, Brewers, Twins, Cardinals, Royals, Astros and Rangers. The West would have the Padres, Angels, Dodgers, Giants, Athletics, Mariners, Rockies and Diamondbacks. This plan would put the most attractive geographical rivalries in the same divisions.

Adoption of this or any other realignment plan would require a three-fourths vote of the clubs.

Under a plan previously discussed, the expansion Arizona Diamondbacks would play not in the NL, as they had

originally been told, but in the AL. The Royals would replace the Diamondbacks in the NL, playing with the Cardinals in the Central Division, while the Astros would replace Arizona in the NL West.

With the Diamondbacks moving to the AL West, Tampa Bay could move to the AL East, with the Tigers replacing the Royals in the Central.

But Jerry Colangelo, the Diamondbacks' managing partner, has said he would refuse to change leagues. The expansion teams have veto power over changing leagues in the first two years of their existence but not afterward.

The realignment committee had been directed to submit a report by June 30, with the clubs making a final decision by Sept. 30. But the committee has missed its deadline, and a realignment decision by Sept. 30 would not enable the clubs to submit a 1998 schedule to the union by the end of this month.

The annual date for submission of a schedule to the union is June 30, but the union agreed to a one-month extension. Donald Fehr, the head of the union, indicated Tuesday that the union would consider a further extension.

The union is highly unlikely to approve a schedule that has Tampa Bay in the AL West.

Regional Lineups

This is how the major leagues would look under a radical realignment plan discussed in Cleveland Tuesday by the realignment committee:

LEAGUE A (14 TEAMS)			
EAST (7)		CENTRAL/SOUTH (7)	
Yankees		Pittsburgh Pirates	
Mets		Cleveland Indians	
Baltimore Orioles		Cincinnati Reds	
Boston Red Sox		Detroit Tigers	
Philadelphia Phillies		Atlanta Braves	
Toronto Blue Jays		Florida Marlins	
Montreal Expos		Tampa Bay Devil Rays	
LEAGUE B (16 TEAMS)			
CENTRAL (8)		WEST (8)	
Chicago Cubs		San Diego Padres	
Chicago White Sox		Anaheim Angels	
Milwaukee Brewers		Los Angeles Dodgers	
Minnesota Twins		San Francisco Giants	
St. Louis Cardinals		Oakland Athletics	
Kansas City Royals		Seattle Mariners	
Houston Astros		Colorado Rockies	
Texas Rangers		Arizona Diamondbacks	

صحنه من الامتحان

SPORTS

Minali Wins 4th Stage of Tour, Amid More Falls

The Associated Press
PLUMELEC, France — Another day, another fall in the Tour de France. The falls are more numerous this year and more dangerous than in the past because the speeds are greater, said Jean-Marie Leblanc, director of the Tour de France.

The fourth stage Wednesday was marked by another fall. Two riders and a spectator were injured this time.

"You have to look at the evolution of the cycles which were made for speed to the detriment of security," Leblanc said.

He mentioned the handlebars, the rider's position over the bars and the gear ratio, which makes the riders go faster but also is more dangerous.

"It's like a car taking a curve in fifth gear instead of third," Leblanc said. "It is less stable."

The fourth stage of 223 kilometers (138 miles), from Plumelec to Le Puy du Fou, was won by the Italian Nicolas Minali of the Batk team, just ahead of Frederic Moncassin, a Frenchman with Gan.

Third was Erik Zabel, a German with the Telekom team, and fourth was Mario Cipollini, of Saeco, the overall leader by four seconds over Zabel.

Throughout the day, the Tour was greeted in western France by thousands of fans lining the road, leaving narrow passages on the already narrow streets.

Early in the day, a woman stepped onto the road to take a photograph, causing both Fabiano Fontanelli, an Italian with the MG team, and Vicente Garcia-Acosta, a Spaniard with Banesto, to fall.



Fontanelli lying in the road after he crashed in the Tour on Wednesday.

All three were taken to a hospital and a spokesman said the woman had come out of a coma.

Leblanc said that to eliminate such dangers would ruin the Tour de France. "It's a problem of how big the Tour has become," he said. "We can't put the Tour on the autoroutes. It's completely impossible. We have to go through the villages to maintain the decor of the Tour de France with the public, the ambience."

With the ambience, however, come the hazards of narrow routes through small towns. The roads can barely handle village traffic in normal times, much less a caravan of 3,000 riders,

team helpers, publicity cars and journalists.

Another fall late in the stage hindered some riders, including Alex Zülle, a Swiss rider with ONCE, who is recovering from a broken collarbone from a fall in the Tour de Suisse.

Zülle has been involved in the three major group falls so far in this Tour. He has not been injured, but has been held up each time. He lost another 29 seconds Wednesday and is more than four minutes back.

On Tuesday, Tony Rominger, another Swiss rider, was forced to quit the race after breaking his collarbone in a fall.

Tyson Loses License and Is Fined He'll Be Out of the Ring for a Year, Perhaps Forever

The Associated Press
LAS VEGAS — Mike Tyson's boxing license was revoked Wednesday, a punishment that could amount to a lifetime ban, and he was fined a maximum \$3 million for biting a chunk out of Evander Holyfield's ear during their heavyweight title fight.

Tyson, who also was ordered to pay legal costs, can apply for reinstatement in one year. But officials of the Nevada State Athletic Commission said Tyson might never have a license to fight again.

"Unless the commission changes its mind, this would be a permanent revocation," said Donald Haight, the commission's legal adviser. "Without further action, the license would not be restored."

The commission could have suspended Tyson, allowing him to return to the

ring after a specified period, but state prosecutors sought stronger punishment.

"Boxing is unlike any other sport. There is a fine line between boxing and chaos," said deputy attorney general Gordon Fink.

The commission, in a unanimous voice vote, also declared Tyson a "discredit to boxing" for biting Holyfield on both ears in their June 28 bout. Tyson, the former world champion, was disqualified after the third round.

Tyson's chief lawyer said the boxer should be allowed to fight again.

"Mr. Tyson spoke to the world after the fight. He told the world he was sorry about what had happened," said the lawyer, Oscar Goodman. "After his boxing losses, he would shake his opponent's hand. He was a gentleman. He remains a gentleman today and retains his dignity today."

On Goodman's advice, Tyson did not attend the hearing. He flew in New York from Las Vegas early Wednesday.

"He said, 'I'm sorry.' There's no reason to say it again. What more can he add?" Goodman said.

Other states would be required by a new federal law to honor Nevada's revocation.

Tyson could fight overseas, but because he is on probation following a 1992 conviction for rape he may not get permission to leave the United States. Any one associated with such a fight could then be banned by the commission.

Holyfield, who is in South Africa, said earlier that a year's ban would not be enough.

"Most boxers only fight one time a year," said Holyfield. "He probably needs a year off to get himself better anyway. He probably needs the rest."

U.S. Soccer Remains in Its Infancy

By Jere Longman
 New York Times Staff Writer

NEW YORK — As Major League Soccer prepared for its second All-Star Game, Commissioner Doug Logan spoke of the league as a two-year-old child.

When MLS began last season, Logan said Tuesday in a state-of-the-league address: "We had this infant baby sitting in a cradle. Everyone had taken great delight in the birth. As with newborn babies, nothing goes wrong. Everything is terrific. Everyone overlooks even the soiled diapers."

In the league's second season, however, no one is overlooking the small unpleasantities.

"In a very real way, we're administering to a league that's going through its terrible twos," Logan told a gathering of reporters, players, coaches, officials and sponsors gathered in New York ahead of Wednesday night's game in Giants Stadium.

The league's average attendance is 15,500, down from 17,400 last season and significantly below Logan's projection of 20,000. Gone is the curiosity factor of a new league. Rainy weather has been a factor; so has been the loss of top international players for World Cup qualifying matches. And it does not help that the teams in the two largest markets, New York/New Jersey and Los Angeles, are in last place in their respective conferences.

Logan blamed himself partly for what may have been too rosy an attendance projection for 1997 after last year's average of 17,400 came in well above initial projections of 10,000 to 12,000. "Fifteen-thousand-five-hundred is very credible, except for the fact that this idiot went out and said his goal was 20,000," Logan said. "By comparison it pales."

Some also believe that the league could have been more aggressive in marketing its second season and in recruiting well-known international players. However, Logan remains buoyed by attendance figures from the July 4 weekend, during which 51,704 fans showed up in Los Angeles along with 36,252 in Denver.

By avoiding a repeat of an August attendance slump, Logan said he believed MLS would still average between 17,000 and 20,000 for the season.

"This is the same kind of problem politicians face when there needs to be an instant analysis of whether or not they're any good," Logan said. "We've got a very solid fan base. Any sport that is in the middle of its second year, and on a Friday night draws 140,000 fans for five games, is very healthy."

For further encouragement, Logan pointed to the improved quality of play this season, steady television ratings, enthusiastic sponsors and expansion of the 10-team league next season to Chicago and Miami.

Tuesday, the Miami franchise was christened the Fusion.

"Every indication we have is positive," Logan said. "We're ahead of where we wanted to be at this point in time in the first five years."

In the last month, the scoring average per game has increased from 2.6 to 3.1 goals a game, according to Sunil Gulati, the league's deputy commissioner. At the same time, play is generally considered more cohesive, especially on defense and with better goalkeeping provided by the likes of Walter Zenga of New England and Marcus Hahnemann of Colorado.

"The product has increased on the field," said John Harkes, captain of the U.S. national team and a midfielder for the league champion D.C. United.

"Foreign players have settled in, and the young American players are starting to lift their level of play. Last year, some of them were nervous and panicked a little. Now they're more confident."

At issue in the MLS's second season is the league's single entity format. In other professional sports, franchises are owned individually, but MLS teams are centrally owned and player contracts are held by the league in an effort to control marketing and costs.

The single-entity concept is being challenged by 10 players who filed an antitrust lawsuit last February, claiming the structure unfairly holds down salaries. Logan believes the earliest the case will go to court is late 1998.

"I can't be too preoccupied with it," Logan said. "We've got excellent legal advice that says we're going to prevail, but there's going to be a fight in the courtroom."

Some also wonder whether the single-entity concept restricts slumping teams, such as the MetroStars, from quickly righting themselves. Not so, Gulati said.

"What does an NBA team do that is in last place?" Gulati said. "All they can do is trade and pray and fire their coach. They're not going to get Michael Jordan or Patrick Ewing. MLS teams are no different."

SCOREBOARD

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
Baltimore	55	30	.447	0
New York	48	37	.365	7
Detroit	41	44	.306	14
Toronto	40	45	.282	15
Boston	38	48	.242	17 1/2

CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	41	34	.350	0
Chicago	43	42	.306	2 1/2
Minnesota	36	49	.248	9
Kansas City	32	43	.232	13
Seattle	27	48	.153	19 1/2

WEST DIVISION

Team	W	L	Pct.	GB
Los Angeles	44	42	.312	0
San Diego	43	43	.304	1
Oakland	42	44	.290	2
Philadelphia	22	52	.116	13

NATIONAL LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	50	30	.455	0
Florida	37	36	.318	13 1/2
New York	48	38	.358	6 1/2
Montreal	47	39	.347	7 1/2
Philadelphia	24	61	.202	32

CENTRAL DIVISION

Team	W	L	Pct.	GB
Pittsburgh	42	45	.306	0
Houston	42	45	.306	1
St. Louis	41	45	.277	2
Cincinnati	37	50	.242	6 1/2
Chicago	37	50	.242	6 1/2

WEST DIVISION

Team	W	L	Pct.	GB
San Francisco	51	36	.386	0
Los Angeles	42	42	.312	6
Colorado	42	45	.290	8 1/2
San Diego	38	49	.267	13

TUESDAY'S BASEBALL

National League 1, American League 3

JAPANESE LEAGUES

CENTRAL LEAGUE

Team	W	L	Pct.	GB
Yokohama	47	27	.435	0
Hiroshima	36	34	.314	9 1/2

PACIFIC LEAGUE

Team	W	L	Pct.	GB
Orix	39	25	.359	0
Saitama	39	21	.357	20
Daiei	39	24	.334	4.5
Nippon Ham	35	30	.279	8.5
Chiba	28	41	.203	12
Lotte	26	41	.200	13.5

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 5, Yakult 2	Yokohama 3, Chunichi 1
Hiroshima 5, Yakult 2	Hiroshima 5, Yakult 2

PACIFIC LEAGUE

Nippon Ham 8, Orix 2	Chiba 4, Lotte 1
Nippon Ham 8, Orix 2	Chiba 4, Lotte 1

TOUR DE FRANCE

Leading placings in the 223 km (138.6 miles) 4th stage from Plumelec to Le Puy du Fou

1. Nicolas Minali, Italy, Batk, 5 hours, 46 minutes, 42 seconds	2. Frederic Moncassin, France, Gan, 5 hours, 46 minutes, 42 seconds
3. Erik Zabel, Germany, Telekom, 5 hours, 46 minutes, 42 seconds	4. Mario Cipollini, Italy, Saeco, 5 hours, 46 minutes, 42 seconds
5. Jean-Francois Esposito, France, Big Mat, 5 hours, 46 minutes, 42 seconds	6. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds
7. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds	8. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds
9. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds	10. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds

CYCLING

TOUR DE FRANCE

Leading placings in the 223 km (138.6 miles) 4th stage from Plumelec to Le Puy du Fou

1. Nicolas Minali, Italy, Batk, 5 hours, 46 minutes, 42 seconds	2. Frederic Moncassin, France, Gan, 5 hours, 46 minutes, 42 seconds
3. Erik Zabel, Germany, Telekom, 5 hours, 46 minutes, 42 seconds	4. Mario Cipollini, Italy, Saeco, 5 hours, 46 minutes, 42 seconds
5. Jean-Francois Esposito, France, Big Mat, 5 hours, 46 minutes, 42 seconds	6. Laurent Jalabert, France, Big Mat, 5 hours, 46 minutes, 42 seconds
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JAPANESE LEAGUES

CENTRAL LEAGUE

Team	W	L	Pct.	GB
Yokohama	47	27	.435	0
Hiroshima	36	34	.314	9 1/2

PACIFIC LEAGUE

Team	W	L	Pct.	GB
Orix	39	25	.359	0
Saitama	39	21	.357	20
Daiei	39	24	.334	4.5
Nippon Ham	35	30	.279	8.5
Chiba	28	41	.203	12
Lotte	26	41	.200	13.5

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 5, Yakult 2	Yokohama 3, Chunichi 1
Hiroshima 5, Yakult 2	Hiroshima 5, Yakult 2

PACIFIC LEAGUE

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JAPANESE LEAGUES

CENTRAL LEAGUE

Team	W	L	Pct.	GB
Yokohama	47	27	.435	0
Hiroshima	36	34	.314	9 1/2

SOCCER

EUROPEAN CUP

QUALIFYING ROUND

Manchester United 3, Borussia Dortmund 1	Bayern Munich 2, Lazio 1
Manchester United 3, Borussia Dortmund 1	Bayern Munich 2, Lazio 1

NATIONAL LEAGUE

Manchester United 3, Borussia Dortmund 1	Bayern Munich 2, Lazio 1
Manchester United 3, Borussia Dortmund 1	Bayern Munich 2, Lazio 1

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

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JAPANESE LEAGUES

CENTRAL LEAGUE

Team	W	L	Pct.	GB
Yokohama	47	27	.435	0
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Team	W	L	Pct.	GB
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3. Erik Zabel, Germany, Telekom, 5 hours, 46 minutes, 42 seconds	

Great Americans

The Associated Press
BUENOS AIRES—An exhibition, "Thousand and One Evitas: A Woman Who Changed History," offers Argentines a chance to see Eva Peron's dresses and other memorabilia, listen to radio broadcasts of her voice and watch her address huge rallies on black-and-white newsreels. The show runs until July 27.

We can't stop anyone from leaving us, but we can be very, very sad when they do. Unrealistically, we wish that they were with us, and we mourn because our country needs their presence more than ever.

Cher had initially thrown

And when I told him that



and her partner, Laura La-
o, have been together for al-
four years; they recently
a house in Los Angeles. "I
or my half myself," Bono
roudly. "My relationship
ow is incredibly happy, but
someone dies, I think it's the
f thing that never goes away
ges you. I am not the person
before."

They didn't have enough bees." Bono said. "You're young, you adapt. There I was, midway through my junior year, and Mom moved to New York." She smiled again. "I'm one of the few gay people who loved high school. I had always been around adults. I felt more comfortable being around them. High school was the first time I had friends my age."

She graduated in 1987 and at-

closeness." She looked away for a moment. "I don't know if I could have gotten to where I am now if I hadn't gone through that. It helped me get over the fear of coming out, suffering that loss. I regret the things I never did with her. I was always trying to be incognito. No one was out then. It was before K.d. lang and Melissa Etheridge. I was really afraid."

She and her partner, Laura La Mastro, have been together for almost four years; they recently bought a house in Los Angeles. "I paid for my half myself," Bono said proudly. "My relationship right now is incredibly happy, but when someone dies, I think it's the kind of thing that never goes away. It changes you. I am not the person I was before."

PLAY THAT THING — The bluesman B.B. King performing at the 31st edition of the Montreux Jazz Festival in Switzerland, which continues through July 19.

Debbie Reynolds and her Las Vegas hotel venture have filed for bankruptcy protection. The filings by both the actress and the Debbie Reynolds Hotel & Casino came two months after a \$16.8 million deal to sell the company fell through. Reynolds is stepping down as chairman, but **Todd Fisher**, her son from her first marriage to Eddie Fisher, remains chief executive. Fisher said that the hotel would stay open and that Reynolds planned to continue her nightclub act there. The 193-room hotel has been losing millions of dollars a year. It

A year ago, as they released their first single, for all the world knew the Spice Girls were merely the new flavour of the month. Today, their product range reads like that of a supermarket chain. The British patent office recently announced that apart from records, posters and T-shirts, it had received more than 100 applications for trademarks bearing the Spice Girls name. Soon you will be able to have Spice with everything, from shaving cream to toothpicks, from parasols to beer. There is even an

A former lead singer of **Motley Crue** claims in a lawsuit that the heavy-metal band dumped him and bad-mouthed him rather than paying him for his work. **John Corabi** worked on an album released in 1994 and was replaced when the band's original lead singer, **Vince Neil**, returned. Corabi is seeking at least \$4 million, contending he was a victim of fraud, slander and breach of contract.



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